The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

August 19, 1939

Britain Capitulates Again

AN EDITORIAL

Stalin Turns to the East

Japanese Trade Threatened

BY JOHN AHLERS

China's Red Spear Fighters

BY NORMAN D. HANWELL

Japanese Naval Problems

BY P. F. IRVINE

Shanghai Closed to Refugees

AN EDITORIAL

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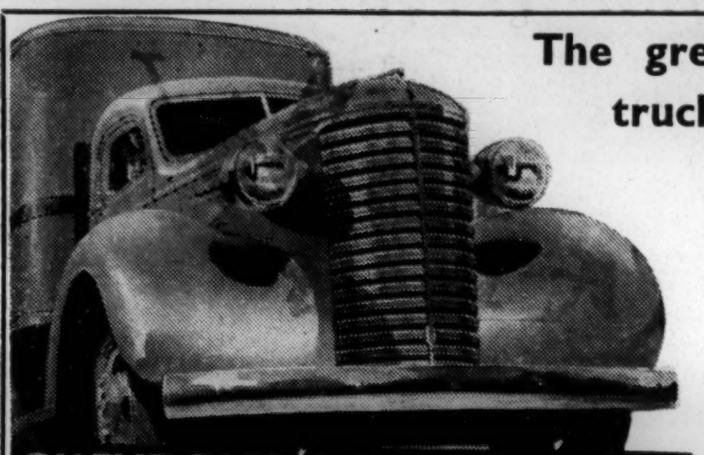
Volume 89 Number 12



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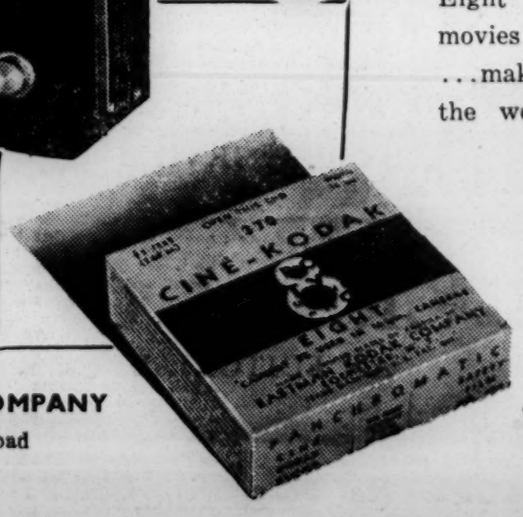

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What People Are Saying

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AFTER TIENTSIN?

To the Editor:

There are some brave words about what we will not agree to; but why were the British negotiators so insistent on treating Tientsin merely as a local issue unless they were ready to surrender something that they did not want to surrender elsewhere? And how, having surrendered at Tientsin, are they going to avoid following suit everywhere else? Unless something happens, we shall have a new version of the "Wolf!" story. Old China and Japan hands have been saying for the past thirty years that the day was finished for the foreigner in the Orient—they said it so often that it had become only a formula; and now they are facing it as a quite possible reality.

Whom do you think I heard from the other day?—a most famous New York banker, no less! A three thousand word letter, telling me (quite kindly) that I had wronged him in my book **Imperial Japan**, as he had never, (like I said) preached the gospel of China finding salvation by borrowing at 9 per cent. I had also misrepresented the case, it appears, in saying that Japan paid a higher rate for her post-earthquake loan than she had paid for fifty years—it wasn't exactly untrue, but conveyed the wrong impression. Besides, what could the poor financiers do? They follow, not lead, the market. One definite piece of information he did give me—that the Consortium is still in being, though he dropped a gentle tear over the half-million dollars that it had spent without doing any business. But perhaps the day is coming. Our Mr. Chamberlain said that there would be opportunity for investment in China after Japan has finished her job; and what is good enough for the City is, no doubt, good enough for Wall Street as well. I must confess, I don't even look wise and pretend to understand finance any more. It is something like Professor Eddington's Expanding Universe. What with America's New Deal and Britain's rearmament, we seem to be multiplying our wealth all the time. I think it will last my time, but if my distended aorta stands up to its work a little longer I may live to see the Grand Crash. And then what? I don't know.

A. MORGAN YOUNG

Oxford England,
July 19, 1939.

U.S. ACTION LAUDED

To the Editor:

The action of President Roosevelt in denouncing America's trade treaty with Japan immediately after Britain made a compromise in Tokyo, shows that the United States is determined to preserve her past and present glory as well as her commercial interests in the Far East and that she has begun an active policy against Japan.

Denunciation of the trade treaty is a serious blow to the Nipponese imperialists, even if not a deadly blow. We Chinese cannot help praising the stand of President Roosevelt and the United States Government as wise and courageous.

Japan is ruled by unruly and bellicose military men and not by experienced, prudent statesmen. Consequently, the methods usually employed in dealing with civilized countries are not appropriate for dealing with Japan. The only way to check Japan's aggressive acts is to subject her to economic pressure and to follow it up, if necessary, by military measures. Attempts to compromise with Japan will lead only to greater tragedy. Britain should follow America's lead and not hesitate to take positive steps against Japan.

MU WEN-FU.

Kunming, July 31, 1939

PALMERSTON'S DICTUM

To the Editor:

At this time, when China has been openly betrayed by Britain and stands in desperate need of American assistance, all Chinese are heartened by the action of President Roosevelt in abrogating America's trade treaty with Japan.

I am afraid that Britain during the past century, and especially in recent years, has been following too closely the dictum of Lord Palmerston: "England has no eternal allies, she has only eternal interests." This is borne out by the Munich agreement and now by the "Far Eastern Munich."

China, without doubt, will resist Japanese aggression to the end, without flinching. In the end, which is fast approaching, England will find herself without allies and without interests as well. England evidently has been overstraining that untenable political tenet of Lord Palmerston. If this is not corrected in time it will sink mankind into the unfathomable depths. England should jettison Palmerston's dictum and use Lincoln's principle of politics: "You can't fool all of the people all of the time."

S. Y. LIVINGSTON HU.

Tsun-yi, Kweichow,
July 31, 1939

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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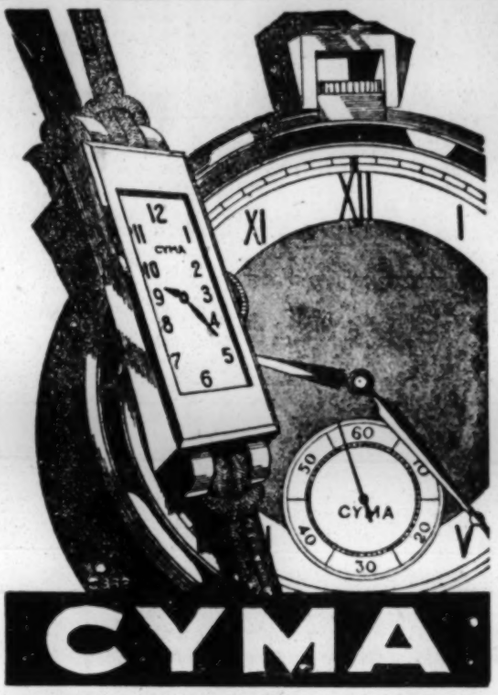

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Britain Capitulates on Surrender of Chinese Terror Suspects, But Tokyo Parleys are Still Stalled

ANY doubts that the Craigie-Arita "formula" of July 22 represented a major turn in British Far Eastern policy along the road of appeasement of Japan were rudely dispelled last week when the British Government announced its readiness to turn over to the Chinese puppet court in Tientsin the four Chinese terrorist suspects alleged by the Japanese to have been involved in the killing of Cheng Shi-kang, a Customs superintendent, in Tientsin last April 3.

The British Ambassador in Tokyo, Sir Robert L. Craigie, announced this latest British act of capitulation to the Japanese imperialists on August 11, exactly 27 days after the opening of the Tokyo negotiations for a lifting of the blockade of the British Concession in Tientsin. It was the detention by the Concession authorities of the four Chinese suspects, and the refusal of those authorities to hand them over to the custody of the Japanese or their puppets, which was the formal pretext for the institution of the Japanese blockade.

The Japanese, according to the recent statement in the House of Commons by Prime Minister Chamberlain, had submitted fresh "evidence" to prove the guilt of the four suspects, and this "evidence" is said to constitute a prima facie case of sufficient strength to warrant their extradition. Without commenting on the fact that is took the Japanese about four months to produce the "evidence" in question, and the British only a matter of days to accept it at face value, two important points require to be noted: First, if the extradition of the four actually takes place, Britain will have violated a pledge, given to the Chinese Ambassador in London, Mr. Quo Tai-chi, that the men would not be handed over to the Japanese or their puppets under any circumstances. This, however, is a comparatively minor aspect of the second and more important point, namely, the obvious jettisoning of repeated British refusals to recognize any situation brought about in China by force of arms. If the four are extradited in the manner announced in Tokyo, Britain will have extended *de facto* recognition to Japan's puppet regime in North China and no amount of argument can serve to prove otherwise.

It is not the most difficult thing in the world to cook up a case against four men held in prison without benefit of legal assistance and with no one to champion their cause. Thus far they have not even had their day in court. The British appeasement master in London may argue that they will get a hearing in the Chinese puppet court, but so far there has been no assurance that they will get as far as those dubious portals of justice once they have been turned over. The Japanese militarists—and it is they who run the "Chinese Courts" in North China—have a preference for the secret military tribunal where suspected opponents of their piratical freebooting are concerned. More often they dispense with even that dismal formality and march their Chinese victims right in front of a firing squad. But what value

"Putting Out the Cat"

Hatton in the Philadelphia Inquirer

are the lives of four obscure Chinese when weighed in the scales against cowering Britain's Far Eastern appeasement policy!

The decision regarding the alleged Chinese terrorists followed an abject climb-down and apology by the British authorities at Swatow on August 10. Three days previously, the British Consul in that port, Mr. H. D. Bryant, while being escorted by British bluejackets who were protecting him against possible attack by Japanese-inspired Chinese agitators, ordered some Chinese

stall-holders to move away from the vicinity of the British Consulate. When the stall-holders refused to move, the bluejackets allegedly clubbed them and precipitated a minor riot. Japanese demands followed. It took the British only three days to formally acknowledge their responsibility for the "riot," to tender a formal apology (to the Japanese!), to agree to compensate the allegedly injured Chinese, to promise punishment of the British sailors involved, and to give a guarantee against a repetition of such incidents.

When the wild and unrestrained character of Japan's anti-British campaign is borne in mind, plus the fact that the Japanese boast of their intention to extend and intensify it, the measure of mighty Britain's humiliation at Swatow can be seen in true perspective. It is fitting to add that the Japanese military blockaded the British Consulate at Swatow until their demands had been complied with.

It still remains to be seen whether the four Chinese suspects in Tientsin will be handed over to the tender mercies of the Japanese and their puppets, for there is intense opposition to this step in Britain, in China and elsewhere. Had Prime Minister Chamberlain not shrewdly chosen the period of a parliamentary recess to announce his latest act of capitalution to Tokyo, this opposition would undoubtedly be much more vocal.

As it is, application has been made to the British Supreme Court in Shanghai for a writ of *habeas corpus* in the case of the four intended Chinese victims of Chamberlainic appeasement. The application has been made by Messrs H. A. Reeks and J. R. Jones of the local law firm of Ellis and Hayes on behalf of Mr. Norman Bentwich, Professor of International Law at the University of Jerusalem and former attorney-general in Palestine, and Miss M. Fry, a justice of the peace and a director of the British Broadcasting Corporation. Messrs Elwell and Binford Hole, acting directly for the applicants in London, have instructed the local lawyers in the case. The application for the writ came before Judge P. Grant Jones. If it should be rejected, the applicants, it is believed, will take the case to the Privy Council.

Scathing comments on the latest British surrender to Japan were featured this week in the press of England. The *News-Chronicle* referred to it as a "cowardly decision" which has failed to bring about a better spirit in Anglo-Japanese relations: "The Japanese Cerberus has gobbled up the sop and is now ready for its next meal." Referring to the application for a writ of *habeus corpus*, the paper said it was a sad commentary on British justice that it should be left to private action to invoke legal process—legal process which the British Government must now find acutely embarrasssing. The *Manchester Guardian* declared that not even the authority of Britain's law offices, behind which Britain is "uneasily sheltering," can make the decision to hand over the four Chinese appear anything but a shabby piece of business. The plain truth, it asserted, is that Great Britain has again given way to the Japanese—and not once, but twice, for while the Japanese originally declared that they would blockade the British Concession at Tientsin until the four men were handed over, Britain is now handing over the men without obtaining a lifting of the blockade.

The London *Times* saw the British decision to surrender the four suspects as a direct and logical result of the Craigie-Arita formula and took a strong stand against further concessions to Japan. "The British public and our compatriots in China," the paper said, "would be grateful for some indication from the Government that further Japanese demands, particularly those concerning Chinese silver and Chinese currency, can under no conditions be considered." The Japanese, the paper added, will not cease putting forward demands as long as they feel there is hope of having them satisfied, and urged that the British Government place limits to Japanese insistence through a clearly formulated declaration.

White Russians Parade With Japanese in Shanghai

Press Union Photo

Anti-Communist and anti-Chiang Kai-shek banners were seen on the streets of Hongkew Aug. 13 when 1,500 Japanese, Chinese and White Russians staged a parade on the second anniversary of the outbreak of the Shanghai hostilities.

* * *

FROM the *United States* came a comment by the Washington *Star*, describing the British decision as a diplomatic victory for Japan which would be construed in the Far East as another damaging blow to British prestige. "The British are fully aware," the paper said, "that the controversy between Japan and Britain has reached the point where the Japanese are not going to be satisfied merely with the surrender of the Chinese suspects. They know also that such action inevitably will lower British prestige without placating Japan".

The first comment to come out of Chungking was by the Communist Party organ, *Hsin Hua Jih Pao*, which denounced the British decision in strong language and issued a warning to those Chinese who "dream of relying on British assistance and of eventual international intervention." Notwithstanding the "solemn assurances" of Prime Minister Chamberlain that Britain's Far Eastern policy remains unchanged, "the facts prove that Britain is bowing before the armed force of Japan and is making concession after concession," the paper declared, describing the British decision as a "British gift at the expense of Chinese lives," and warning of a Far Eastern Munich.

In Japan, the British climb-down was accepted with laconic gestures of contempt. When the British Ambassador informed Mr. Sotomatsu Kato, Japan's minister-at-large, of Britain's decision, and said that Britain desired to hand the four Chinese suspects over to the "Chinese" court in Tientsin, that gentleman reportedly said that the British could handle the matter as they pleased, that it was an insignificant matter, and that what Japan was interested in was economic and financial questions due for discussion at the Anglo-Japanese parleys.

On these questions, which concern the Chinese currency and the silver stored in the foreign concessions at Tientsin, there appears to be a deadlock. The British Ambassador in Tokyo, according to *Domei*, received fresh instructions from London early this week, but they did not deal with these questions. He proposed to Mr. Kato, that the parleys be resumed on the basis of the new instructions, which presumably deal with the question of police arrangements in the British Concession at Tientsin. Mr. Kato reportedly rejected this proposal, declaring that the Japanese Government wanted a simultaneous agreement on the policing and economic questions and that the chances of reaching such an agreement would be prejudiced by the separate discussion of the policing question.

Whether Britain will make a surrender on this point still remains to be seen. Meanwhile, with the parleys stalled, the Japanese military delegation from Tientsin left the Japanese capital on Monday morning of this week, thus making good on their earlier threat to quit unless negotiations were quickly resumed. Before departing for Tientsin by air, the head of the military delegation, Major-Gen. Akiro Muto, staff officer of the Japanese Expeditionary Force to North China, issued dire threats against Britain in a press interview. Conditions in Tientsin, he said, will "teach" Britain the right course she should adopt in China. Should we ever return to this airdrome, it will be when Britain has revised her attitude. We intended to show Britain the right direction she should adopt in her Far Eastern policy by using the Tokyo conversations as a class room. We agreed to the British proposal that we participate in those talks because we thought that by solving the Tientsin question through mutual understanding, we could clear up the atmosphere. Britain seems to have failed to understand our kindness. Instead, she has given us the impression that she wishes to solve the issue by a test of blood and iron. If Britain wishes that, it certainly is one way to solve the issue."

It is impossible to say how far the intransigent attitude of the Army is shared by Baron Hiranuma and his government. During the past ten days there have been repeated rumors of discord between the civil section of the government and the militray. While the question of Japan's adherence to the Italo-German military alliance —for which the army is said to have been pressing—has been most commonly mentioned as a bone of contention, there is reason to believe that the Tientsin blockade and the unrestrained violence of the anti-British campaign conducted in China by the Japanese Army is another. The Tokyo politicians, who have a more lively appreciation of Japan's international situation than the politically dull-witted generals who try to dictate the government's every move, may well view with dismay the heedless, undisciplined course of the Army. They realize that Japan, in the not-too-distant future, may have need of British friendship to offset a possible German-Soviet rapprochement, and they don't want to burn their boats. As things stand at present, the Army may carry its provocative campaign so far that the Tokyo parleys may end in a complete breakdown and write *finis* to all prospects of an Anglo-Japanese get-together.

That the Japanese Army, hopelessly bogged down in its military campaigning in China, is preparing fresh anti-British attacks, was made clear in a *Domei* message from Tokyo on Aug. 13. This message said that if the deadlock in the Anglo-Japanese negotiations continued, the Japanese military in North China probably would take "definite measures" against the British Concession in Tientsin. It also hinted at the driving out of all Britons from North China. "Definite measures," in view of present circumstances, can scarcely mean anything else but forcible seizure of the British Concession.

Meanwhile, the anti-British campaign in various parts of China is reaching fresh heights of violence. On Aug. 11, a party of demonstrators, mostly Japanese, entered the compound of the British Consulate in Chefoo and hurled stones through 18 windows, *United Press* reported. A formal protest against this action was lodged with the Japanese authorities the following day. The premises of the leaf division of the Yee Tsoong Tobacco Company (British-American Tobacco Company) at Itu, on the Tsingtao-Tsinan Railway in Shantung province, were attacked by a Japanese-inspired Chinese mob the same day, according to a *Reuter* report. Windows and furniture were smashed and other damage done. The Japanese military, who are in occupation of the town, apparently did nothing to restrain the rioters.

Domei reported from Peiping on Aug. 14 that all Britons residing in Shansi have evacuated the province "in order to escape the anti-British agitation which is assuming serious proportions." Last to leave, the Japanese agency said, were four missionaries stationed at Hsinhsien, 80 kilometers north of Taiyuan.

On Aug. 13, anti-British demonstrations were held in various cities under Japanese occupation. For some unexplained reason, a great anti-British parade which was to have been held in Hankow on that date was called off, but the city was plastered with anti-British posters.

Mr. Abend Again "Explains" the War—From the Japanese Point of View

HALLETT Abend has lived in China since 1926. For the past 12 years he has been serving as correspondent in China for the *New York Times*. During these long years, he has scored several notable scoops (notably the Japanese rape of Nanking, the story of which was reportedly supplied to Mr. Abend by official Japanese sources), established unequalled contacts with Japanese officialdom, and earned the distrust and dislike of the Chinese.

Much of this distrust has had its roots in Mr. Abend's books, the last of which, written jointly with his former aide, Anthony Billingham, was suitably enough entitled: "Can China Survive?" Mr. Abend's answer, on the whole, was that China could not. That he was fundamentally wrong was proved by China's continued successful resistance in the face of aggression by one of the world's greatest and most ruthless military machines.

A few months ago, Mr. Abend left for the United States on a vacation. It would have been only natural of a newspaperman stationed in China to describe the current history-making developments in this country and to interpret the Chinese point of view. The reverse was the fact. Interviewed in New York by a representative of *Editor & Publisher*, Mr. Abend made a very long statement which in essence was a faithful record of Japanese official views and which, for this very reason, tended to misrepresent the true situation in this country.

Mr. Abend's statement did not deal with China's war of resistance. Nor did it dwell on Japan's war on foreign interests in this country. In the interviewer's words, Mr. Abend "gave a comprehensive picture of Japanese 'irritation' with 'neutral' countries' nationals in Shanghai and other Japanese-dominated Chinese cities." What Mr. Abend did say about the violation of foreign rights and interests here was a light-hearted: "Of course, there have been 'incidents' in the Orient and it appears that they will continue unless some sort of an agreement is reached between Japan and the 'neutral' countries."

Trouble in the Far East, he was further quoted as saying, now all stems from the fact that countries like the United States and Great Britain refuse to recognize Japan's conquest of China, continue to recognize China's Chungking Government and insist on Japan's respecting the treaties with China which permit U.S. and British 'nationals' to ply their trade in China.

It must be noted that the quotation marks flanking the words 'neutral,' 'incidents' and 'nationals' are all the interviewer's, who was apparently given to understand that they should be taken with one's tongue in his cheek.

But the crux of Mr. Abend's statement was contained in the following paragraphs:

> Japan has conquered, for example, Shanghai; has forced the Chinese Government to flee its provisional capitals until now it is in Chungking; has more than half of China's 400-000,000 population under her control, and dominates with her armies China's richest and most industrially developed coastal cities.
>
> Her armies have accomplished all these things, and more, *and yet, because the Chungking Government is recognized by the 'neutral'* countries, all with a pretty big stake in China, and through treaties have set up their international settlements and concessions, Japan is forced at tremendous cost to continue the campaign in China, a campaign with which she is pretty well fed up . . . (our italics).

A greater misrepresentation of facts here has not been attempted by any American newspaperman here since the days of the late and unlamented G. Bronson Rea. It is just as ridiculous to assert that Japan controls half of China as it is to say that China resists *because* her lawful government has been recognized as such by the powers and because there are such "safety islands" as Shanghai. Had Mr. Abend lived on Hungjao Road, instead of the Japanese-owned Broadway Mansions, he would perhaps have discovered that the Japanese do not even control Rubicon Road, where only last week they had to employ machine-guns against peaceful villagers.

It is unnecessary to dwell extensively on other portions of Mr. Abend's interview, on his libelous and totally ridiculous description of the Shanghai Municipal Council, of the Settlement ("hotbed of intrigue"), of the kind-hearted (to Abend only) Japanese censors ("fairly liberal"), and of his sources of information ("The Chinese side of things comes from representatives of the Chungking Government in hiding in the Settlement, calling for 'much shifting and weighing to get the true facts'.")

The whole statement cannot be described as anything but a very dangerous rehash of Japanese propaganda, dangerous because it reaches the American public through the medium of a great newspaper. And the most preposterous feature of the thing is that it was left to an American correspondent *in Japan* (Wilfrid Fleischer, of the New York *Herald Tribune*), writing in a parallel column, to give a correct picture of the situation:

> Japan, goaded to desperation by continued Chinese resistance and suffering huge drainage of its man power and money reserves, all of which *she blames* mainly on England's aid to Chiang Kai-shek, is showing her displeasure by making things unpleasant for British subjects in China, as witness Tientsin . . . (our italics).

Japanese Threaten to Blockade Settlement

"It is possible, but improbable, that the International Settlement and French Concession at Shanghai will be isolated by a Japanese blockade," a spokesman of Embassy declared at a press conference here on Wednesday in reply to a query on a *Transocean* dispatch from Chungking which quoted Shanghai reports to the effect that the Japanese were making preparations for such action. Whether a blockade would actually be instituted, the spokesman said, would depend on "the course of events," adding that it was difficult to state that there would be no such action.

Stalin Turns His Back on Europe—Now Concentrates on the Far East

IN 1914 Russia cheerfully threw herself, body and soul, into war in Europe: but in 1939 Russia's principal interest has shifted away from Europe toward her own Far East.

As far as the Russians are concerned, it seems entirely likely that from now on Europe must always be a side-show at least from the standpoint of Russia's chief interests.

The foregoing sentences summarize the chief theme of a significant article entitled, "Stalin Prefers Siberia," which appeared in the July 22 issue of *The Saturday Evening Post*. The article was written by Demaree Bess, who is now European representative of *The Post*, after many years service as correspondent for *The Christian Science Monitor* in China and Japan and also in the Soviet Union. Mr. Bess' article helps materially in explaining Stalin's obvious coldness to a military and political alliance with Britain and France against the European Axis Powers. Thus we have the strange spectacle of British Tories and French conservatives, both of them —until the immediate present—professing extreme hatred of the Soviets but nevertheless rushing delegation after delegation to Moscow in order to woo the Russian Bear into a defensive alliance against the menace of Hitler and Mussolini.

According to Mr. Bess the British Conservatives as well as the Socialists and liberals and the reactionaries in Western European democracies, had almost completely overlooked this fundamental change in the Russian outlook. "All factions blandly assumed that they need only whistle to bring Russia back into the same kind of European concert of powers which existed in 1914 . . . they assumed that Anglo-French-Russian alliance, once it had been formed, would be the same alliance which broke Germany's initial onslaught in the first World War . . they presumed to think that the extent of Russia's participation in European affairs depended upon them, not upon Russia, and that the only difference was to break down the British Conservatives' distaste for Bolshevism."

The predicament in which some Anglo-French statesmen find themselves, even now, in Mr. Bess' opinion, was due to their failure to realize that Russia's relationship to Europe today is not all what it was in 1914, regardless of what alliance she may or may not enter into. At the beginning of the last World War, Russia's vast Asiatic possessions were largely an uninhabited waste and Russia's rulers were almost entirely absorbed in the affairs of Europe. The Russian ruling classes knew more about the affairs of Europe than they did about their own country and they dabbled in every European intrigue. Many of them lived most of the year at the fashionable capitals and resorts of France, Germany, Austria and Hungary. Even after the Bolshevist revolution, Russia continued to be ruled by men who had close ties in Europe where they had lived as political refugees, fugitives from the Czar's police. Russia's Europeanized revolutionaries were so absorbed in spreading their revolutionary ideas in Europe that they seriously jeopardized their own position in Russia itself.

But this situation changed with the death of Lenin and the banishment of Trotsky. Joseph Stalin, although technically not an Asiatic, as his native Georgia lies within the borders of Europe, likes nevertheless to consider himself an Asiatic. His native Georgians are really Oriental people. Also, Stalin spent his years of exile, not in Europe like so many European revolutionaries, but in Asiatic Russia. In 1925 when Stalin was interviewed by a Japanese newspaperman, Stalin exclaimed, "I, too, am an Asiatic."

Since Stalin got things into his own control, Russia's relationship with Europe has gradually changed— a matter of vast significance to those concerned with the problems of Asia. The Russian people have drawn back deeper and deeper into their own vast country and in consequence they have grown more and more indifferent to the problems of Europe.

According to Mr. Bess the October, 1917 Revolution marked the end of the first European period in Russian history. In May, 1939, the end of Russia's second European period was symbolized by the abrupt resignation of Maxim Litvinov who had served for a decade as Soviet commissar for foreign affairs. Litvinov, a Polish Jew, was a European at heart. Since 1936 he had observed his European associates in the Revolution "disappear" to be shot or shut away in concentration camps in Siberia. Americans, who hang on their radios during Europe's perpetual crises, would be surprised to learn that the only radios which can be sold in Russia are so weak that they cannot tune-in on anything but the official stations in Russia. V. M. Molotov, the new Soviet foreign commissar, expressed the situation well when he exclaimed, "Our country is altogether another world."

Mr. Bess' article is too long to quote adequately in these columns, hence it is only possible to call attention to those portions which are of vital interest in China at the present time. And there can be no discounting the depth of interest, particularly on the part of the Chinese people, whose future national existence may depend upon near future developments in their relations with the Soviet Union. The only other country in a position to exert strong and unrestricted influence upon the course of events in the Orient is the United States; hence there was significance in a recent denial from Moscow that the United States and Russia had decided to cooperate in the Far East.

Elements which have had a bearing on Russia's decision to turn her back on Europe and face the East are as follows: First, Russia today is very much like the United States of a century ago, a vast, potentially rich, undeveloped country, a world of its own—actually one-seventh of the earth's surface, a region more than twice the size of the whole of Europe. Stalin, the dictator of Russia, controls the labor of 170,000,000 people within his own land, so why should he be interested in adventures abroad in Europe? He has plenty of room for adventures at home, particularly in wide-open spaces of his own Far Eastern domain. Asiatic Russia, as indicated by the accompanying maps, is bigger than the whole of Europe: bigger than the whole of the United States and its possessions. For eleven years Stalin has been drilling into the minds of Soviet men and women, particularly the youths of his land, that Russia's future lies in the East, in Aisa. The view is now as firmly accepted in Russia as was the earlier view accepted generally by young Americans, that their destiny lay in their own limitless "West".

Stalin permitted Litvinov to try out his European schemes for many years, but the failure at Munich torpedoed Litvinov's influence in Russia. When Hitler broke his "gentlemen's agreement" with Neville Chamberlain by annexing the Czech provinces, the British and French prime ministers hurried their invitations to Moscow to join in the "grand peace alliance," and Stalin who had found himself so rudely snubbed in September, now found himself eagerly wooed in May. But the

British and French emissaries were due for a rude shock. Stalin made it clear that he didn't care much whether he made a deal with them or not and in case he did he would not make it except on his own terms.

They are still negotiating!

But to apply a useful phrase, "in the meantime" there have been other developments of vast significance on other fronts. Although not clearly expressed in so many words—but definitely outlined in actions—it seems obvious that Stalin has pictured his Russia as a vast Eurasian Empire whose destiny lies primarily in Asia. Stalin likes to think of himself as an Asiatic Empire Builder, destined to reshape and mold the great uninhabited hinterlands of Central Asia and Siberia. And he has gone far in that direction in the past ten years. Stalin, in the opinion of the author, probably envisions himself as the virtul creator of a new race, a race of Eurasians, compounded equally of Asiatic and European racial elements included within the borders of his own vast Russia.

Russian foreign policy, in one respect at least, is similar to American foreign policy in that it must consider the course of events both in Europe and in Asia. At the same time that American attention was being switched, by the deliberate efforts of President Roosevelt, from Asia to Europe, the attention of Russians was being shifted "... in the opposite direction from Europe to Asia."

Mr. Bess then explained that Stalin had created a sort of *cordon sanitaire* against Europe, a zone 50 kilometers wide which is literally uninhabited, along the entire border separating Russia from the countries of Europe. The area is literally a no-man's land from which the population has been transported elsewhere—chiefly to Siberia where the people have been settled on new land. This no-man's land has been extended along the borders of Finland, the Baltic countries, Poland and Rumania, and in some places has attained a depth of 200 kilometers, but in no place less than 50 kilometers. Whole towns within this extensive strip of territory have been eliminated and their inhabitants transported to Siberia where fresh virgin land is abundant. The zone is not only completely uninhabited, but has been made as nearly impassable as possible by the construction of barricades, land mines and other devices.

The zone is a symbol of Stalin's distrust of Europe —primarily Hitler—and has had the practical effect of removing from possible contamination by Hitler's propagandists, hundreds of thousands of men, women and children related by racial ties to populations on the other side of the border. To quote from Mr. Bess: "When we look at the state of Europe we can hardly blame Stalin for turning with relief and pleasure, as he obviously does, toward his own Asia—or at least toward that part of Asia which lies within the borders of his own Russia."

Mr. Bess then quoted from an early American traveler in Russia, John W. Bookwalter of Springfield, Ohio (1899), who said that the outstanding characteristic of the Russian is foresight: He acquired sufficient land to assure the stability of his own country for countless generations to come. Bookwalter described conditions in Russia forty years ago.

Today Russia is dominated by an Aisatic, who nevertheless possesses this same predominant Russian characteristic—foresight. Although the last Russian Czars were described as uncommonly stupid rulers, they nevertheless acquired vast reservoirs of land and natural resources for the use of the Russia people of today. This Russian dictator Stalin has shown a ruthless determination to hold fast to the whole of Asiatic Russia, but has also spread out into the sparsely settled regions of Central Asia beyond Russia's present borders, to acquire again for future generations new lands in regions where land can be acquired almost without price and without world recriminations...

To quote further from Bess: "Stalin's regime has not only fully recovered all territory which Russia ever held in the Far East but has clung closely to the old spheres of influence beyond Russia's present or past borders. I watched Soviet soldiers invading North Manchuria in 1929, bombing Chinese cities, in order to compel the Chinese to restore Russia's doubtful rights of ownership in the Chinese Eastern Railway.. which the Russians had to abandon in 1935, but only under the severest kind of pressure from the Japanese, who had struck before the Russians were prepared to defend their holdings. But the Japanese got nothing else and later when the Japanese tried to exert similar pressure on Outer-Mongolia, another Soviet sphere of influence, they found that the Russians had become more confident and Stalin himself announced that the Red Army would protect Outer Mongolia from attack.. which has been absorbed

.. Stalin as an empire builder has had the advantage of dealing in regions so sparsely populated and so remote that the outside world hardly knows their names.. Since the Bolshevik revolution in 1917 Russia has not only absorbed Outer Mongolia.. but has also firmly established Russian influence in Sinkiang, the Chinese province known as Chinese Turkestan, a territory of 550,000 square miles, about the size of Manchuria.. an area which recent geological surveys have shown may have natural resources much more important than Manchuria. John D. Littlepage, an American engineer who surveyed the Altai Mountain region, said that it gave every indication of being one of the greatest storehouses of natural wealth in the world.. containing rich deposits of gold, lead, zinc, copper, coal."

In conclusion the author said that Stalin had been more or less openly helping the Chinese. "His help has not been, necessarily, noble or unselfish: it is justified on the basis of imperialist policy. Russia wants to weaken her chief rival in the Far East, Japan. If the Chinese can be assisted to wear Japan down, so much the better. But whatever happens, eventually in China, it is safe to assume that Russia will retain its predominant influence in Outer Mongolia and in the territory now under the control of the Sinkiang Chinese governor, who was a Russian puppet before the Sino-Japanese war started.."

So far as Europe is concerned.. "Stalin will go just so far and no farther than he believes may be

necessary to protect his European borders. No sort of European adventure can induce him, any more, to risk his vast possessions in Asiatic Russia and the empire he is gradually building up beyond his own borders in Central Aisa. He knows better than anyone that Japan stands alert in Eastern Asia, waiting to strike at that empire at the moment when Stalin becomes too deeply involved in a European war.. Whatever he does in Europe now is done unwillingly as a matter of self-defense. If he were free to do so it is safe to predict that Stalin would turn his entire attention to the east, where he sees in course of construction the Eurasian empire which he desires to make his monument."

Shanghai Authorities Slam Door in Face of Refugees

SHANGHAI, long an open door for the persecuted victims of anti-semitism in Europe, is an open door no longer. It has been slammed shut and awaits only locks and bolts to insure that it remains so. The Japanese authorities started it all last week when they announced that no more Jewish refugees would be permitted to reside or do business in Hongkew and that those already here who fail to register with them, through the Refugee Committee, will be expelled. This brought the Settlement and Concession authorities into action. The municipal councils of both areas announced early this week that no more refugees from Europe, with the exception of those already on their way here, will be allowed to enter Shanghai.

In attempting to assess the merits of the action taken the average Shanghailander is torn between a natural sympathy for the terribly persecuted victims of Nazism and Fascism and the regard which has to be paid to the practical aspects of the refugee problem as it affects Shanghai. It is well known that at least 5,000 additional refugees have been expected to come to Shanghai before the end of the present year, and of this number some 500 are believed to be on the high seas now. The despair which will fill the hearts of the 4,500 who are now to be shut out can be imagined. Their last avenue of escape from persecution, from concentration camps, forced labor and worse has been closed.

Yet more than 15,000 European refugees have already entered this city. Some of them have shaken down to their new environment, but by far the larger number are still dependent on charity to one degree or another, although not in any other sense have they become a public charge. How many more could the city accomodate and provide for? This city is straining under the force of an economic blizzard which shows no signs of letting up. Business and employment possibilities are decreasing. The vast majority of the population is finding it increasingly difficult to make ends meet. It would be absurd to suggest that the city could support an endless stream of immigrants unless substantial inroads were made into private wealth, of which, incidentally, there is quite an accumulation.

But are the city's economic troubles justification for closing the door to the refugees? Every country has advanced the self-same argument. It means, in effect, that there is no place for the refugees to go. Humanitarian sentiments are apparently all that the refugees can expect, and these are not very helpful.

There are interesting legal aspects to the question. In the areas north of the creek the Japanese military and naval authorities are sovereign. So are the French in their Concession. But with the International Settlement it is different. The latter territory has always been considered Chinese as regards sovereignty, with only the administrative rights vested in the Shanghai Municipal Council. Only the Chinese Government has the right to decide who shall or shall not enter. It is to be doubted, however, whether Chungking was consulted by the S.M.C. before the decision was taken to exclude further refugees from Europe. Only a few months ago efforts were made to induce the Consular Body, which governs the actions of the S.M.C., to stop the influx of European refugees into Shanghai. The Consular Body decided that it had no legal right to take any such action and there the matter was allowed to rest. Now the S.M.C. has blundered in where the angels of the Consular Body feared to tread, and has arrogated to itself powers which it has no legal right to exercise.

In justifying its action, the S.M.C. declares that Shanghai has already done its share in helping the refugees. A statement of this kind would have come with more grace from the Settlement authorities had they really done something to aid and support the European refugees who have come here. All they did was to place a few vacant, ramshackle buildings at the disposal of the Refugee Committee. They have not done much better by the thousands of Chinese refugees driven into Shanghai by the terrors of war.

In matters in which it is too lazy or too indifferent to act, the S.M.C. always pleads one of two things—lack of legal authority or lack of funds. When it *wants* to act, such trifles are forgotten. The decision to exclude the refugees, like the recent censorship and suppression of Chinese newspapers in the Settlement, is an arbitrary police measure which cannot legally be enforced. It remains to be seen whether someone will have the temerity to challenge it.

If it is actually enforced for want of effective legal challenge, the Italian and German shipping companies who have been bringing the refugees to Shanghai will lose a lucrative business. And the Nazi government, too, will have a problem on its hands. It can hardly continue expelling the Jews when there is not a place in the wide world willing to receive them.

Mussolini, Long Inaccessible, Deports U.P. Correspondent

H. R. EKINS, correspondent for *United Press*, previously stationed in China, and who later won fame by making a record round-the-world airplane flight, was deported from Italy on August 12. The reason for the deportation was a report, circulated by the *United Press*, stating that Mussolini was seriously ill. The decree for Ekins' deportation was issued on special instructions from Il Duce himself. According to a report by *Havas*, the French service, from the Italian capital, the *U. P.* bureau in Rome would be closed and could not be reopened except on special orders from the Fascist Party. The report which aroused the indignation of the Fascists and their leader alleged that the Duce was suffering from a heart attack complicated by stomach ulcers. The report was based on private sources and stated that Mussolini had been removed to Rome from Bologna for medical treatment. The report stated further that the dictator had failed to attend the closing maneuvers staged by the Italian Army, although he usually witnessed all Army exercises.

A former Shanghailander who recently traveled through Europe recently wrote friends here from Paris stating that it was useless to try to find any real news in the Italian newspapers which printed only what they were allowed (or told) to print, and that for many days there had been nothing but laudatory articles about Count Ciano's trip to Spain and contemplated trip to Germany. Dispatches from the outside world, some of them by *United Press*, were frequently cut down or added to, when published in the Italian newspapers, in order to emphasize a propaganda idea. The Shanghai man said that it was impossible for anyone, including newspapermen, to see anyone in authority in Italy; that Mussolini, once accessible, now will see no one and that Count Ciano was almost as difficult to see. Ciano was listed as the "only ear to the Duce," and Balbo, Grandi and the socalled conservatives do not have much voice at the present.

Recently when the United States imposed countervailing duties against Italian silk goods because of Italian subsidies granted to exporters, the official *Stefani* news agency declared that the real reason for the American action was that the "Jew Morgenthau," (U. S. Secretary of the Treasury) was trying to "get even" with Italy because of Italian persecution of the Jews. Recently when the official Italian newspapers published reports calling the American President, "that Jew Roosevelt," the State Department made an official complaint which was accompanied by a statement containing the facts of Roosevelt's ancestry.

Japan's Whole Foreign Trade Structure Imperilled By America's Abrogation of the Trade Treaty

BY JOHN AHLERS

ON the surface, the Japanese appear to have somewhat recovered from the severe shock which was given them by the Washington Administration's notice denouncing the American-Japanese treaty of commerce. Instructions seem to have been issued to the press in Japan to pretend a rather optimistic view of the situation, and to encourage the Japanese public in the belief that the measure will not too seriously affect Japan and her war adventure in China. While the Japanese public thus is being lulled into a false feeling of security, wide Japanese business circles are full of apprehension.

The Yokohama and Kobe silk markets reacted upon the abrogation notice with an immediate slump in silk prices, and trading in later silk futures became difficult. Silk constitutes about two-thirds of all Japanese exports to the United States, and almost 80 per cent of all the silk shipped abroad from Japan is sold to the U. S.A. Japanese manufacturers of porcelain and chinaware also are greatly disturbed, since the United States equally forms their most important export market. The Osaka cotton industry sees a danger to its exports of cotton textiles to both the United States and the Philippines.

Still other Japanese interests show much concern about the matter. Cotton may be purchased also in British India and Brazil, and crude oil can be provided from the Netherlands Indies, Mexico and elsewhere. Much of the machinery employed in Japan's industries, however, entirely depends for its smooth running upon the highly specialized American lubricating oils which cannot be had elsewhere than in the United States. The expansion of a large portion of the Japanese war industries also greatly depends on the continuous supply of American metal-working machinery. Certain high-speed steels which Japan badly needs can be obtained only in Uncle Sam's country. And the United States is Japan's most important source of scrap iron and steel.

At the moment, the treaty is still in force, and it will expire only on January 26, 1940, in a little more than five months from now. It is difficult for Japan, however, to transact much additional forward business to forestall the probable immediate consequences of the treaty's expiration. The current supply of silk is strictly limited, and Japan is unable to store large quantities of raw silk in New York, with silk stocks in Japan amounting to less than one month's export to the U. S. A. Shortage of foreign exchange, on the other hand, makes it impossible for Japan to lay in large extra stocks of American lubricating oils, metal machinery, scrap, etc. Even if Japan would try to do so on a moderate scale, she might well run up against determined opposition on the part of the U.S. Department of Commerce.

Commercial intercourse with the United States is of much greater importance for Japan than a superficial glance at Nipponese trade statistics may suggest. Japan exported, during the first five months of this year, Yen 1,158,000,000 worth of goods, whereof Yen 166,000,000 went to the United States. Almost half of Japan's total exports, however, consist of shipments to yen bloc countries which fail to produce foreign exchange, and Nipponese exports to other countries amounted to only Yen 597,000,000. In these latter exports, the U.S. share is 27.7 per cent. Inclusive of Japanese exports o the Philippines and Hawaii, the American export hare in Japan rises to 30 per cent.

Still more prominent is the United States' position in Japan's imports. During the first five months of this year, Japan imported Yen 1,213,600,000 worth of foreign goods, whereof Yen 287,600,000 came from other yen bloc countries. Nipponese imports from countries outside the yen bloc were Yen 926,000,000, whereof Yen 425,200,000 came from the United States. The latter's share in Japanese non-yen bloc imports thus was 46 per cent, and inclusive of the Philippines and of Hawaii it amounted to 48 per cent. Two-thirds of all the war supplies imported by Japan come from the United States,

Silken Threads Support Warlords

New Masses (New York)

and for some of these imports Japan is entirely dependent upon Uncle Sam's good will.

What is likely to happen to this trade subsequent to the expiration of the present Nippon-American treaty of commerce? There is little probability that Japan will succeed in inducing Washington to conclude in time another treaty. Recent Japanese investigation of the seriousness of that possibility met with such discouraging results that it is probable that Tokyo will not even propose another treaty. Thus as from January 26 next year, there is likely to be a treatyless situation between the United States and Japan, with both countries at complete liberty to treat the other country's trade as they choose.

Japanese goods will lose in the United States the benefits of the most-favored-nation clause of the present treaty, and will have to pay maximum import duties. Special penalty duties may be piled upon those maximum

duties in view of the fact that the Japanese Government is subsidizing the production of export goods (silk, for instance), or the exports themselves (porcelain, pottery, for example). The cut-throat competition of low-paid Nippon labor with high-paid American labor affords another motive for penalizing Japanese goods in the U.S.A. It has been reliably estimated that ten times the value of American imports of made-in-Japan finished goods is lost to American workers in the form of wages, since failing those imports these goods would have to be manufactured in the United States.

Silk, which forms the bulk of Japanese exports to the U.S.A., is in peculiar danger. Today, American hosiery production still chiefly relies upon Nipponese raw silk. The expiration of the treaty, however, will be coincidental with the start on a large commercial scale of the production of the new American hosiery silk substitute, Nylon, in the Du Pont de Nemours concern's two new Nylon factories which are to be completed early next year. The prospects of Japanese silk maintaining itself against Nylon have decreased substantially due to the abrogation of the treaty.

Japan, as a matter of course, will be in a position to retaliate to a certain extent and to shut out all American goods of which she is not in absolute need. These goods, however, are but very few, and in American exports to Japan account for little, since the present system of trade and exchange restrictions in Dai Nippon already has reduced such imports from the United States to a minimum. If Japan should levy penalty duties upon American cotton, oils, machinery, scrap, etc., she would have to pay such additional duties herself.

What the Nipponese are mostly afraid of in connection with the abrogation of the treaty is that the United States may no longer be prepared to sell them raw materials, oils, metal machinery, aircraft, and various other military supplies. Apparently, the Washington Administration has in mind some action of this kind. It is by no means only through a revision of the American Neutrality Law, or by the passage of Senator Pittman's proposal to embargo munitions exports to countries violating the Nine-Power Treaty, that the United States can stop certain exports to Japan. President Roosevelt and his Administration command divers other ways and means of acting in that direction, even without formal endorsement by Congress of such a policy. The recent restriction of Americal plane exports to Japan, upon the U.S. State Department's insistence, indicates what can be done.

If the question is being asked why Washington has as yet failed to take such measures, it has to be realized that the Nippon-American treaty of commerce constituted an almost insurmountable obstacle to such proceedings. Article 5 of the treaty expressly stipulates that neither of the signatories can prohibit exports to the other country of any commodity, unless its export to all other countries is prohibited. This obstacle will be eliminated with the expiration of the treaty, and the Japanese henceforth will no longer be in a position to protest upon the strength of reciprocal obligation against American export embargoes.

The abrogation of the Nippon-American trade treaty confronts Japan, a country singularly dependent upon its overseas commerce, with the most difficult foreign trade problem which she has experienced in modern times. No less than one-third of Japan's commerce with foreign exchange-producing countries is in danger, and she may be cut off from her present most important base of foreign war supplies. Moreover, there is the additional danger that, failing an understanding with Great Britain, the London Government may emulate the example set by Washington. The British Empire accounts for another 25 per cent of Japan's non-yen bloc foreign trade, so that almost 60 per cent of that trade is transacted with the two Anglo-Saxon powers. Neither Germany nor Italy would be in a position to replace to any appreciable extent the Anglo-Saxon countries in Dai Nippon's commerce.

Whether Manchuria and the Japanese-occupied areas of China proper will be affected directly by the abrogation of the Nippon-American treaty, remains to be seen. There is no trade agreement between Manchukuo and the United States, which has never recognized the puppet regime in Changchun. There is, however, a treaty of trade between the United States and China, and in the Nippon-controlled areas of this country large-scale Japanese interference with that treaty has been suffered for a considerable length of time. It is possible, and even probable, that such interference no longer will be tolerated by the United States. It will be easy, for instance, for the American authorities to refuse the issue of export certificates for North China produce which is being made subject to exchange control by the semi-official Japanese Yokohama Specie Bank.

If cut off from free access to certain American war materials and other supplies, the Japanese will, as a matter of course, endeavor to obtain such materials and supplies by hook or crook via various byways. They will certainly try to import such American goods into their new sphere of power in this country, and in particular to purchase indirectly via Shanghai what they no longer will be able to buy directly in the United States. The local American authorities will have to watch carefully the local market in order to prevent any such abuse of the strong American trading position in Shanghai. For altogether too long a time Shanghai has been of the greatest assistance to the Japanese, and this city ought not to become a base of operations calculated to circumvent the intentions of American trade policy.

Japanese Purchase or Seize All Rice Within 80-100 Miles

JAPANESE seizure or purchase—with Hwa Hsing notes—of all rice grown by Chinese farmers within a radius of 80 to 100 miles of Shanghai has produced the worst rice famine ever experienced in this section of China. The situation, already aggravated by the exchange crisis, has become so serious that the authorities of the International Settlement are contemplating the purchase of large quantities of rice from French Indo-China. In case the Settlement Administration decides to purchase rice abroad, the local taxpayers will be faced with the problem of incurring serious losses; however, they may be reduced somewhat by co-operative action on the part of the organized rice dealers.

The outstanding and most serious element in the rice crisis is that there is a serious shortage of rice in the Shanghai district due primarily to the war situation. Incessant raids through the countryside by Japanese army contingents, under the guise of anti-guerrilla drives, have made it difficult, if not impossible, for Chinese farmers to carry on their work. Able-bodied Chinese young men have been forced to flee from Japanese press-gangs looking for raw-material for labor-groups or puppet armies. Chinese young women, who normally do a considerable portion of the farm work in every Chinese household, have also been forced to flee—for another reason. The result has been that only the old men and women were left to do the farm work and generally they did it quite well despite interference by the Japanese military and other racketeers.

But the rice situation has been further complicated by recent Japanese action in "buying up" or seizing outright all available stocks of rice in the immediate Shanghai hinterland. According to those who have investigated the situation, the Japanese have had two objectives: the storing up of large quantities of rice by the Army for use here or in Japan, or possibly in Manchuria; or the storing of large quantities under military protection with the object of selling later at a handsome profit.

Local prices for rice have increased to two-and-a-half times the prices which prevailed a year ago, the present price being around $27 a picul (133 pounds).

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The American Advisory Committee, which administers the relief funds sent to China by the American Red Cross, has cabled the national headquarters in Washington for a further shipment of cracked wheat. The term "cracked" refers to wheat which has been through the first milling process, but which has not been

refined to the quality of white flour. Cracked wheat may be cooked and eaten as gruel or it may be mixed with rice. The shortage of rice, plus rising prices for other Chinese foods, has increased demands upon the last shipment of wheat to such an extent that the 8,000 bags received a few weeks ago have practically all been issued. The Committee this week cabled for an increased consignment, 32,000 bags, which is double the first consignment received last year, amounting to 16,000 bags. The wheat is issued for civilian relief purposes and is distributed chiefly through foreign mission stations and hospitals in the Lower Yangtsze area.

U. S. Experts Will Help China to Adjust Transportation

THREE well known American transportation experts were scheduled to depart from San Francisco on the Pan-American Clipper this week, bound for Chungking, for the purpose of helping the Chinese authorities solve their transportation problems resulting from the Japanese blockade.

The experts are Maurice E. Sheahan, Andrew B. Barri and C. W. Van Patter. All are connected with the Keeshin Transportation Company of Chicago, one of the leading forwarding concerns of the United States. Of the three men, Mr. Sheahan is vice-president of the Keeshin company and is said to be a nationally recognized authority on transportation problems by land, air and water.

The request for American assistance in solving the transportation problem in West China resulting from the Japanese blockade of the China coast, originated with the Ministry of Communications at Chungking and was forwarded to Washington with the suggestion that three outstanding experts be sent to China for the purpose of advising the ministry. As soon as the request was received a survey was made of available men in this field, with the result that three officials of the Chicago concern were selected. They will serve as advisers to the Ministry of Communications at Chungking.

The National Government announced the creation of a General Highway Transportation Bureau on August 10. The bureau will have headquarters in the southwest and northwest and will have administrative control over highway engineering and administrative affairs. Sub-branches will be established on each of the leading highways. The Southwestern highway administration will attend to engineering affairs along highways leading from Chungking to Liuchow, central Kwangsi, via Kweiyang, provincial capital of Kweichow, and also the highway leading from Changsha, capital of Hunan, to Kunming in Yunnan, via Kweiyang.

Aside from engineering problems involved in keeping the roads open, the problem of coordinating transportation so as to prevent congestion at such points as Haiphong and Rangoon has been most serious. It is understood that this will be the chief job of the American advisers, to work out a system whereby present congestion of merchandise at these ports will be alleviated. The men will proceed directly to Chungking from Hongkong.

A *Kuomin* report from Kunming on Aug. 14 said that seven Chinese banks were cooperating in the financing of the Yunnan Omnibus Corporation which is developing highway transportation in the southwestern provinces. It was stated that the banks will jointly advance the sum of $600,000 for purchasing modern motorbuses in the United States. The banks which are cooperating in the project are the Futien Bank, Sin-Hua Trust and Savings, Central Bank, Bank of China and Kincheng Banking Corporation. A report in the *Shun Pao* (Aug. 11) stated that plans are being made for the purchase of 6,000 additional trucks for service in west and southwest China.

Nipponese Would Take Hongkong in 30 Minutes; Also Have U. S. Plan!

CURRENT Japanese military activities along the borders of the British Colony of Hongkong have added significance due to a recent statement allegedly made by Marquis Pagano di Melito, Italian Consul-General at the British Colony, to the effect that Japan "could take Hongkong in 30 minutes." The Italian Consul-General allegedly made the statement while on a visit to Japan where he was interviewed by Japanese newspapermen.

According to the interview, as published in the Japanese papers, the Marquis expressed the opinion that Hongkong's defenses "were in such a state that it would be easy for the Japanese Navy to capture the territory in 30 minutes." There was added point to the statement because the Marquis was himself a Rear Admiral. He said that the anti-British movement in China "was steadily growing and was having an adverse effect on the safety of Honkong, which he thought the British had despaired of defending." The object of the Marquis' visit to Japan was to confer with the Italian Ambassador, Signor Giacinto Auriti, the nature of which he refused to divulge. Prior to his departure from Hongkong he had delivered several pro-Japanese speeches.

The Marquis apparently did not expect his interview to appear in English, hence when it was printed in the *Japan Advertiser*, American paper in Tokyo, he quickly denied that he had made "such a statement," and attributed it to "language difficulties."

On the same day that Marquis Melito was being interviewed in Tokyo, a well known Japanese military commentator, Lieutenant-General Kiyokatsu Sato, retired, published a book containing a plan for the conquest of the United States. Gen. Sato's book is entitled, "War Between Japan and America Imminent." He said that Japan "must first seize Hawaii and then undertake destruction of the Panama Canal and America's main fleet. Japan could then land her forces on the Western Coast of the Continent and destroy the cities and naval bases." The next course would be the "formation of a main line of defense along the Rocky Mountains so Japanese troops could be massed in the occupied areas along the coast . . . after preparations west of the Rocky Mountains, Japanese troops would advance toward the East Coast . . ."

Japanese military moves in Chinese territory adjacent to the borders of Hongkong have aroused some apprehension in Hongkong due to reports that the Japanese Army and Navy have constructed air-bases in the vicinity of the Colony. The Tokyo *Nichi-Nichi* on Aug. 12 published a report that the Japanese Navy had developed a base on Satsao Island, located 13 miles southeast of the Portuguese port of Macao and 50 miles southwest of Hongkong, near the mouth of the Pearl River. The island is about 50 miles in diameter and has a 900-foot hill. It was occupied by the Japanese on Dec. 14, 1937 but the occupation was not officially announced in Tokyo until a month ago. The report in the Tokyo paper described Satsao Island as a "dagger pointed at the heart of Hongkong."

Guerrillas 'Wiped Out' But Still They Fight

"Organized guerrilla resistance to the Japanese forces in the Shanghai area has been completely wiped out," a spokesman for the Japanese Army stated at a press conference here on Aug. 12. But the same day this claim was made, according to a Japanese Army spokesman quoted by *Domei* two days later, "guerrillas concentrated about six kilometers southeast of Peihaokiang, 30 kilometers west of Shanghai on Soochow Creek, were routed by Japanese forces in a surprise attack." The Chinese abandoned 31 dead, while the Japanese took one prisoner and seized 18 rifles, two pistols and 850 rounds of rifle ammunition, it was claimed.

On Aug. 11 Japanese troops went into action against alleged guerrillas in the Hungjao district, although according to an eye-witness of the operations no guerrillas were in evidence. Several truck-loads of Japanese soldiers drove up to the little country market on Hungjao Road just east of Rubican Road at about 7 a.m. and commenced rounding up all Chinese men in sight, the eye-witness said. The country people were forced at bayonet point to abandon their market produce and for no apparent reason were herded into trucks. Some attempted to run away. The Japanese opened fire on them, killing three and wounding a woman.

Two of the men killed were known positively to be small farmers from the Rubicon Road area north of Hungjao Road. They had only gone to market, as usual, to dispose of their vegetables.

Ex-Shanghai Girl Helps Straighten Bank Affairs

Marie Antoinette Jeanne Reiss, 26-year-old daughter of the late Hugo Reiss, for many years Brazilian Consul-General in Shanghai, arrived in Amsterdam from Paris this week to help straighten out the affairs of the well-known Netherlands banking firm of Mendelssohn which suspended payment following the sudden death last week of its director, Dr. Fritz Mannheimer, to whom Miss Reiss had been wedded only eight weeks previously.

The Court in Amsterdam complied with a petition from the bank by ordering a temporary suspension of payments by the concern when a deficit of approximately 5,000,000 guilders was disclosed. Assets of the bank were given as 212,000,000 guilders and liabilities 217,000,000 guilders. Several Dutch banks had advanced the Mendelssohn firm credits against French bonds. The Mendelssohn firm occupied a prominent position on the international loan market, and handled many loan flotations for the French Government. Since there were no uncompleted transations in this category, French finances were not expected to suffer due to the firm's failure.

The Tide of Jewish Refugees

2. What Hitler's Victims Found in Shanghai

BY JULIUS RUDOLPH

WHEN most of the Central European refugees reached Shanghai in 1938 and 1939, the city was already greatly over-populated. The Sino-Japanese hostilities had driven more than 120,000 Chinese refugees into the International Settlement and French Concession. By far the greater number of these war victims lived in refugee camps or begged on the streets.

In spite of their abject poverty, the Chinese refugees had distinct advantages over the European newcomers. Some of them had relatives in the city, and while all had lost their former homes, they were still in their own country speaking their own language.

The Europeans came to a city which had all the characteristics of a political and economic island. The surrounding territory was under the control of the Japanese military, and the largest part of the International Settlement, Hongkew, had been taken over by the Japanese. The Japanese authorities, it is true, were not openly unfriendly to the many European refugees who found lodgings in the "Little Tokyo" district, but the atmosphere of the whole city was tense and strained, as the Japanese officials were continually demanding more say and influence in the Settlement's administration.

Since Shanghai's hinterland was under Japanese control, most means of communication with other inland cities was interrupted. The newly-arrived German and Italian refugees, therefore, had no opportunity to leave Shanghai in order to find jobs in Nanking or any other Chinese city. Many of them had left Europe with the idea of going to China, but they could get only as far as Shanghai. In Shanghai they were obliged to seek their bread in a town which was already too full of people, too full of refugees, and too full of worry.

In April, 1939 the Shanghai Refugee Committee sent cables abroad asking for aid. At that time, the committee had sufficient funds on hand to maintain the refugees for another three weeks only. Before the Committee received the requested contributions, more than 2,000 new refugees were landed in Shanghai. The Committee was forced to order that all persons who had received allowances for food and lodgings must leave their private rooms and move to a new camp in Hongkew, large enough to shelter 1,000 people. To feed an emigre in one of the camps cost daily only 50 cents in Shanghai money, but to feed 4,000, it required 2,000 Shanghai dollars.

In May, more than 100 refugees were brought to an emergency hospital. All had scarlet fever, and several died. During the spread of this terrible disease, it became still more difficult to find enough accommodations for the newcomers. The Embankment Building refugee camp was full; the other camps were closed to prevent the spread of the fever. Many of those who arrived at that time had to spend several nights in the local synagogue, sitting on chairs or walking around the rooms. The only beds available were made of straw, and these were assigned to the women and children.

A few days later, one of the committee's leaders, a well-known local financier, sailed for America and Europe on a kind of world search for financial assistance for the Refugee Committee. But the problem of the refugees in Shanghai is one that no monetary donations can permanently solve.

Business in Shanghai, when the refugees arrived, was in a precarious state. Several European firms had already moved to Hongkong or Singapore. Other firms were preparing to follow them, for no one knew for sure how long the foreign authorities would be able or willing to defend foreign interests in the Settlement. Opportunities for investment, therefore, were rare, and newcomers who had hoped to establish partnerships with other Shanghai residents, offering their relatives abroad or their special knowledge as security, found

In One of the Refugee Camps

Pictures show (1) the spacious courtyard in one of the refugee camps in Hongkew; (2) some of the refugees helping prepare the collective meal; (3) waiting in line for the repast; (4) a stand where refreshments are sold in one of the camps.

that most business men were not willing to take any risks.

The city was crowded not only with Chinese and the new European refugees. For the last 20 years, a small stream of Russians had been pouring into Shanghai, and these were naturally apprehensive over the influx of Central Europeans. The Russians feared that the newcomers would trespass in their domain of small

Louisville (Kentucky) Times

shops, special groceries, restaurants and the like. These businesses are the easiest to start on a small amount of capital, and both Russians and Germans came to Shanghai with little money in their pockets.

There was one other handicap the refugees had to face. In Shanghai, as in all of the Far East, the "white man" does not do manual labor. That is the portion of the millions of coolies who have no other means of livelihood.

The situation for the newcomers was therefore not of the happiest. From the concentration camps, the prisons, the "exercising rooms," they had come to a city where they were penned up in foreign settlements, cut off from all other parts of China, a city with few parks or playgrounds, where amusements are only for the fairly prosperous and sophisticated. But at least they had escaped with their lives to start some sort of a new life.

Third Article Next Week

Nippon Troops Halt Raid On British Consulate

Prompt action by Japanese military forces on Aug. 14 foiled two sucessive attacks upon the British Consulate at Swatow, *Domei* reported. Mr. H. D. Dryant, acting British Consul, was saved from serious injury by the appearance of Japanese soldiers as he was surrounded by an angry mob of Chinese outside the consulate.

A noisy group of about 60 Chinese youths, approached the consulate at about 4 o'clock in the afternoon. Surrounding the British establishment, they began shouting slogans and setting off fire crackers. "Burn the British Consulate," "Run out the British," and "Avenge the murders of our countrymen," the demonstrators were reported to have shouted. A Japanese military detachment, rushed to the scene and dispersed the mob in about 30 minutes.

At about 5:20 o'clock, another group appeared, this time at the back gate of the consulate. As this group appeared intent upon setting fire to the gate, the Japanese military guards were further reinforced. Mr. Bryant, who appeared on the scene, was jeered at by the Chinese, some of whom attempted to rush towards him. The Japanese soldiers protected Mr. Bryant and escorted him back into the consular compound, *Domei* said.

Japanese Occupy Shumchun; Hongkong Blockade Feared

British and Japanese troops came face to face at Shumchun on the border of the New Territories (part of the colony of Hongkong) on Wednesday of this week. At one o'clock in the morning Japanese forces effected a landing near Paoan and pushed rapidly inland, occupying Shumchun, the border town, about nine hours later.

Japanese troops had been absent from the town for nine months. Two companies of British troops were rushed to the border. Observers in Hongkong were quoted by *Reuter* as saying that the Japanese action might be the prelude to an attempted blockade of the British colony. Japanese aircraft bombed Shumchun and according to *Domei* dispatches Chinese troops fled into British territory as Japanese forces entered the town. A Japanese and a British flag were hoisted ten yards apart at the frontier line. According to *Domei*, the Hongkong authorities were notified in advance of the military action to be undertaken near the border and warned that they would be held responsible for "any untoward incidents" arising from British interference with Japanese military operations or from permitting Chinese forces the use of British territory.

Honan Puppets Take Over British Mines

The "Provincial Honan Government" has taken over the administration of the British-owned Tsiaotso coal mines in northern Honan and has issued a statement emphasizing that Britain sent her protest to the wrong party when she protested to Japan against the confiscation, Japanese quarters in Peiping said on Aug. 14, according to a *United Press* dispatch.

The mines, which were operated by the Anglo-Chinese Finance and Trade Corporation, were taken over by the "Honan Provincial Government" because of claims that the British firm gained possession of the mines through alleged illegal foreclosure of mortgages.

The "Government" also alleged that the British firm and its Chinese employees were engaged in bitter labor disputes.

"Britain is knocking on the wrong door in protesting to the Japanese Government regarding the Tsiaotso question. Britain ought to have protested to the Provincial Government," a "Honan Government" spokesman was reported to have said, according to Japanese reports.

The Pekin Syndicate office in Chungking estimated that the company's anthracite mines in Northern Honan, confiscated by the Japanese, have an annual output of over 2,000,000 tons.

The mines are situated near Tsiaotso, on the Taoching Railway. They began operations at the beginning of the century. An agreement was reached in 1935 between the Pekin Syndicate and Chinese interests, whereby the Chungfu Joint Mining Administration was formed.

This concern was financed under the Mortgage Loan Agreement by the Anglo-Chinese Finance and Trade Corporation, incorporated in England. In March of this year, the Chungfu Joint Mining Administration handed over all its assets to the Anglo-Chinese Finance and Trade Corporation.

The Naval Problems of Japan

BY P. F. IRVINE

(*Austral-Asiatic Bulletin, Melbourne*)

Editor's Note:—The author of the following article, which is reprinted from the June-July issue of the Bulletin of the Australian Institute of International Affairs, is a solicitor of the Supreme Court of New South Wales, and a student of, and writer on, defense questions.

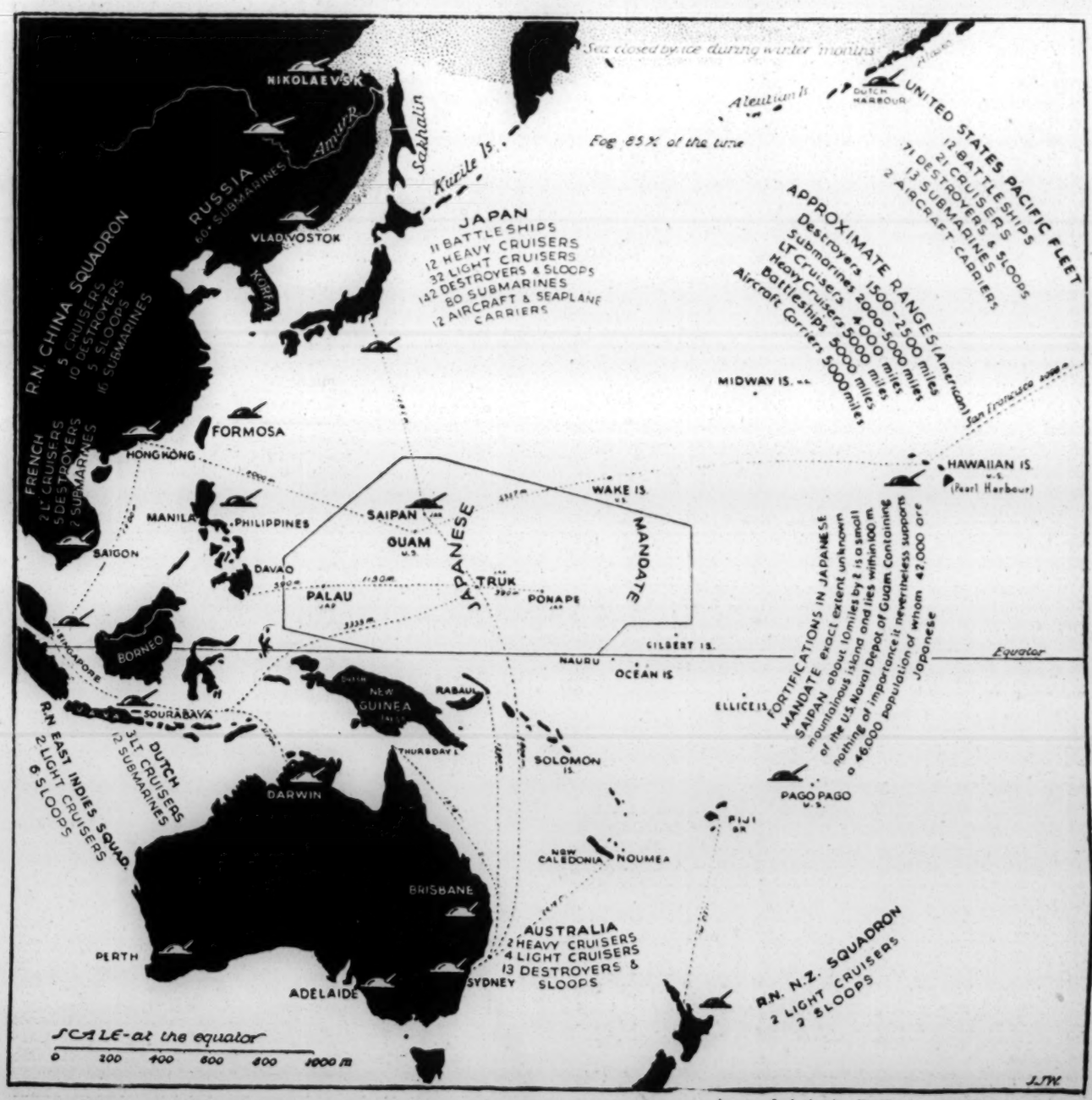
LAY commentators on naval problems in the Pacific, and many service men, are prone to neglect the significance of Japan's problem in a general war in that sphere. At the moment, it is possible to size up her handling of a war in a limited sphere, and of a war which does not to any great degree affect her seaborne trade or her territorial possessions. Japanese forces in China, from a purely military point of view, have handled a difficult campaign with general efficiency. Altogether different conditions would prevail if those forces were launched against one or more first-class Powers, and it is to this aspect of Japanese affairs that the article is directed.

Australians are somewhat apt to accept the defeatist views of lay commentators, who have not studied the problem in its many aspects: there is a grave risk that such views will influence defence policy at a critical time.

Japan's War Problems

Much food for her own people is produced by Japan, but important raw materials, such as oil, rubber and iron, must be imported. If the internal economy is to be maintained in a stable condition, export trade must continue uninterrupted both in peace and in war. Many of the problems which presented themselves to Britain

Problems of Naval Strategy in the Pacific Ocean



Austral-Asiatic Bulletin (*Melbourne*)

during the last war present themselves to Japan to-day, and will be emphasised in any general Pacific Zone war in which she may be engaged. It is obvious that Japanese sea-borne trade to the mainland of Asia must be maintained in war time, and that it is most desirable from her point of view that her trade to the East Indies, parts of South-Eastern Asia and North and South America should be maintained. It has been said by a Japanese commentator (Ishimaru) that Japanese trade in 1935 was spread over the sea routes as follows:—

1. To the Continent of Asia, north of Hong Kong ..	19%
2. To the Continent of Asia, south of Hong Kong (including Hong Kong) ..	18%
3. To the East Indies, Philippines and Oceania	11.5%
4. To the Americas, North and South	33%
5. Elsewhere (via Singapore)	18.5%
	100.0%

The same Japanese commentator suggested that 48% of this trade would be cut off in the event of a war with England; but in this 48% the trade across the Pacific to America or to the northern part of the Continent of Asia, was not included.

Britain, in the Great War, was able to bottle up her opponents in narrow seas once the comparatively few raiders abroad had been dealt with. For Japan, the position is reversed. Her trade may be attacked from bases thousands of miles away; it is inconceivable at the moment that she can either wipe out or blockade every potential base for commerce raiders, particularly when it is remembered that the newer types of cruisers have a range which was hardly dreamt of during the Great War. The Arethusa type of British cruiser has a range of nearly 12,000 miles.

Then, again, the sea routes open to attack are immeasurably greater in length than those exposed to intensive attack during the Great War. For example, the following distances may be quoted:—

1. Japan to Korea	120 miles
2. Japan to Shanghai ..	470 ,,
3. Japan to San Francisco	4,760 ,,
4. Japan to Mexico	6,950 ,,

If Japan should be pitted against an enemy which has substantial raiding forces, then all these routes would be subject to constant attack which could be met only by counter measures on an enormous scale. A patrol system would immobilise a relatively large part of the Japanese naval forces, while a convoy system would be costly, hampering, and very likely impossible owing to lack of convoy war vessels of a type suitable for long distance (cruisers would be required in large numbers). When these demands are considered, it is possible to realise the great difficulties which would confront the Japanese, should they endeavour to carry out a full scale invasion many thousands of miles from Japan while having, as a vital necessity, to maintain their trade routes. Each additional 100 miles that an expeditionary force is away from its base means a greater naval convoy, not only on the initial operation, but in maintaining supplies and reinforcements.

It is estimated on good authority that two fully equipped divisions of troops would require 300,000 tons of mercantile shipping alone.

Large Forces Needed

The problem of Japan, then, is, firstly, to maintain her sea-borne trade to an extent sufficient to supply her domestic and war industrial needs; secondly, to support any expeditionary force she may wish to despatch overseas to distant parts; and thirdly, to maintain her export trade in order to maintain the stability of her domestic economy. For all these purposes naval forces are required in large numbers, but not necessarily in concentrated strength in the form of a battle fleet.

In the narrower water-ways of the China Seas and the Sea of Japan, underwater craft might have a devastating effect on Japanese commerce if the appropriate counter measures could not be taken. Although enormous strides have been taken in anti-submarine warfare, it is not effective if the equipment in men and ships is not available. Japan has not the ships available to carry on a fully effective anti-submarine campaign on the routes which are essential to her. To begin with, the routes to Korea and Shanghai are longer than the corresponding Continental connections between Europe and England, and therefore are harder to patrol effectively. In addition, the Chinese coastline lends itself to submarine warfare. It would be a task of the greatest magnitude effectively to patrol the coastline and check anti-Japanese activities by the Chinese assisting an enemy: there would be heavy demands on Japanese light cruiser, destroyer and sloop categories for service in the China Seas and the Sea of Japan. The importance of submarine warfare should not be understated, and the scrutiny of the disposition of naval forces will show that it is a factor in the minds of the various naval authorities in the Far East. The most powerful individual submarine unit in the British Empire is based at Hong Kong: it consists of some 15 ships of the largest type, each having considerable range; it is known that Russia has important submarine forces at Vladivostock. Holland has a very effective submarine force in the East Indies.

Relative Strengths

In the outer oceans, the raiders would be drawn from the cruiser class, and in that class Japan's major possible opponents, except Russia, have well organised and efficient forces. Great Britain alone has in the Pacific Ocean, or adjacent to it, no less than 16 cruisers against Japan's 37. All the British vessels are modern. Included in the Japanese total are five old vessels, each of under 4,500 tons. As a raiding force, the British force is immensely powerful, and would, if opposed to Japan, have a devastating effect on trade. Of the Japanese total of 37 cruisers, a large number would have to be retained with the battle fleet for normal duties there: the greater part of the balance would be required for anti-submarine activities and general patrol in the waters adjacent to China and Japan. The number left for outer oceans would be small — sufficient to take a heavy toll of the opponent's trade, but not enough to safeguard Japan's own trade overseas.

The next question is how far the Japanese battle fleet would be a major element in a foreign adventure—an invasion of distant parts. The answer to that question is that the purpose of the battle fleet is to give to its owner dominance in a given theatre of war, and the obvious place for the main part of the Japanese battle fleet of nine ships is close to Japan. For example, as long as the battle fleet is there, patrol and other operations which are vital to Japan within a radius, say, of 1,500 miles could proceed without serious interruption by opposing cruiser squadrons. If a substantial part of the battle fleet were not in the Formosa-Japan zone, the patrols would be subject to serious interruptions by cruiser forces, which are a category of war vessels averaging nine to ten knots faster than the Japanese battleship proper. It is extremely unlikely that the six battleships proper would leave the immediate vicinity of Japan. The other three ships (which are of pre-war design) might conceivably be used for anti-raider operations and for convoying expeditionary forces. They are old, however, and poorly armoured; they would be no match in actual battle for any three of the 15 battleships that Britain possesses.

The Conclusions

The following conclusions can be drawn from the above short summary:—

1. Against a Power possessing substantial cruiser forces, the risk of effective invasion by Japan of countries distant from Japan is small. It could not be accomplished without serious trade losses on her own part, and even then it could not be accomplished until she had dealt with the raider problem. That objective would seriously drain her available naval resources.

2. Submarine forces directed against Japan will be most effective in or near the routes close to Japan, where her trade is most concentrated. The existence of a submarine menace, therefore, will reduce considerably the forces available for expeditionary purposes.

3. The absence of an opposing battle fleet at Singapore at the commencement of hostilities would not make a Japanese battle fleet of any magnitude available for an expeditionary operation distant from home ports. The existence of substantial enemy cruiser forces would "contain" close to Japan a substantial part of the battle fleet.

4. The existence of an opposing battle fleet at Singapore, say, limited to four ships, would contain practically all, if not all, of the Japanese battle fleet in the Japan-Formosa zone.

5. The existence of one capital ship in Australian waters would make

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Large British Stake In Tientsin is Threatened by Concession Blockade

BY IRVING S. FRIEDMAN

(Far Eastern Survey)

AS this goes to press, Tientsin has become so much a question of prestige that the tangible British interests involved have become obscured. Containing the only British concession in North China and enjoying extraterritorial rights, Tientsin is the keystone of Britain's position in this area, as well as the principal trade and distributing center of North China.

British interests centered in and around Tientsin cover many fields of activity. This is indicated in the names of some of the leading British firms doing business in that city: the Kailan Mining Administration, the British-American Tobacco Co., the Hongkong and Shanghai Banking Corp., the Chartered Bank of India, Australia and China, the Asiatic Petroleum Co., the Dunlop Rubber Co., Imperial Chemical Industries, Jardine, Matheson & Co., Butterfield and Swire, the Tientsin Ainslee Export Co. and the China Soap Co. The number of British concerns operating in Tientsin has recently been estimated at 117, with 98 capitalized at more than 50,000 yuan. In addition to these private organizations, there are the British Electric Co., with a capacity of 7,500 kilowatts, and the water works plant, with a daily capacity of about 1,000,000 gallons, owned by the Municipal Council of the British Concession. The concession itself represents a real estate interest the size of which is indicated by the fact that during 1936 the revenue from the land tax (probably around 1% of the assessed value) amounted to Ch.$255,746, and from the rental assessment tax Ch.$487,662.

Trade the Chief Interest

The chief British interest in Tientsin is trade. The changes resulting from new factors introduced during the present hostilities, such as the rerouting of intercoastal trade, the closing of other ports and rising prices, cannot be accurately computed at the present time. The available value-statistics, however, do give an adequate picture of the present importance of Tientsin to British trade and furnish a basis for comparison with the prewar situation. The British flag in the port of Tientsin now holds second place, having been relegated to that position by Japanese shipping in 1938. The total tonnage of British shipping (entering and clearing) last year was 1,763,461 tons, of which 1,355,706 tons were coastwise. This total, however, constituted an increase of 299,461 tons over 1937 and 49,230 tons more than 1936.

Similarly the total value of exports from Tientsin to Great Britain has not declined during the present hostilities; on the contrary, there has been an increase from Ch.$10,379,840 in 1936 to Ch.$11,738,520 in 1938. But the value of exports to Japan during this period increased from Ch.$28,440,410 to Ch.$78,210,785. (The value of exports to the United States declined from Ch.$44,285,017 to Ch.$31,257,541.) The chief exports from Tientsin to Great Britain in 1938 were animals and animal products, mainly bristles, eggs and egg products (Ch.$7,029,770); hides, leathers and furs (Ch.$478,513); seeds, mainly apricots (Ch.$513,475); and textile fibers and products, mainly wool (Ch.$2,928,470).

War Effects on Trade

The hostilities have had a varied effect on this trade. Hides, leathers and furs, seeds, textile fibers and

"Encirclement"

Duffy in the Baltimore Sun

products, and bristles declined between 1936 and 1938, although seeds recovered from their 1937 position. Most serious for British interests was the decline in wool exports largely as a result of the Japanese wool monopoly. But these losses were more than offset by the increase in the export of animals and animal products, especially eggs and egg products.

British imports into Tientsin in 1938 amounted to G.U.3,538,535 (1 gold unit = Ch.$2.26, or about U.S.$0.68 before the recent drop in the Chinese dollar); in 1937 it was G.U.3,539,849, and in 1936 G.U.2,851,235. These slight gains contrasted with Japan's increase from G.U.11,992,151 in 1936 to G.U.54,436,018 in 1938 and, less sharply, with the rise in American imports from G.U.3,926,565 to G.U.9,158,510 during the same period. The most important categories of imports into Tientsin from Great Britain in 1938 were cotton piece goods, white or dyed (G.U.65,556); wool and the manufactures thereof (G.U.399,608); metals and ores (G.U.955,567); vehicles and vessels (G.U.122,853); miscellaneous metal manufactures (G.U.101,301); chemicals and pharmaceuticals (G.U.723,940); dyes and pigments, and varnishes (G.U.58,517); and books, maps, paper and wood pulp (G.U.46,360).

Trade Falls Off

Wool and the manufactures thereof, dyes, pigments and varnishes, and books, maps, paper and wood pulp have suffered serious declines, while metals and ores, and chemicals and pharmaceuticals rose sharply. In numerous other less important items—such as tobacco, wines, beers, spirits and table waters, candles, soap, oil, fats, waxes, gums and resins, and leather — large percentage gains, though comparatively small in absolute figures, have been experienced.

In spite of the annoyance and injuries to British interests resulting from such Japanese acts as the establishment of monopolies, export prohibitions, exchange control regulations, tariff revisions favorable to Japanese products, discrimination in the granting of railway facilities, and inefficient telegraph service, Britain's commercial position in Tientsin was, until the present crisis, still strong. The blockade, by threatening the existence of the concession itself, constitutes an incomparably greater danger to British interests.

S.M.P. Assisting Chiang Regime, Tairiku Charges

Charging that the Shanghai Municipal Police were openly assisting the regime of Gen. Chiang Kai-shek by arresting Chinese in the possession of handbills denouncing the leader of the Chungking regime, the *Tairiku Shimpo*, local Japanese daily, this week demanded an investigation of police action. The arrests, the newspaper said, took place on Garden and Szechuen Road bridges last Sunday afternoon as Chinese were returning to areas south of Soochow Creek after witnessing a parade staged under the auspices of the *Tairiku Shimpo*.

The handbills, besides denouncing the Chungking regime, the journal said, contained a slogan: "Down with the public enemy that aids Gen. Chiang Kai-shek." This slogan, the newspaper alleged, was held by the S.M.P. to be anti-British. "This is tantamount to recogrition by the S.M.P. that the British are aiding Gen. Chiang," the *Tairiku Shimpo* said.

Naval Problems of Japan

(Continued from Page 375)

less attractive a major operation in the nature of an invasion of Australia. Such an operation would be likely to be most hazardous.

6. The tactics of defence in naval warfare by the British Empire in the Pacific would be to avoid fleet action, and to rely upon containg the opposing forces as much as possible and for as long as possible, while engaging in depredations on sea-going trade and military convoys.

7. A battleship would be a useful addition to the Australian defence forces, but need not necessarily be obtained until more pressing requirements have been met. It should be an objective in the not very distant future. The preliminary arrangements should now be made.

Japanese and Chinese Both Claim Successes in Counter-Offensives

THE command of the Japanese Expeditionary Force to Central China claims that Japanese troops, taking the initiative in order to prevent the massing of Chinese forces, has successfully forestalled a Chinese "anniversary offensive," *Domei* reported from Nanking on August 15. The projected Chinese onslaught, which was to mark the second anniversary of the outbreak of Sino-Japanese hostilities, was intended "to disturb the Yangtsze area by means of attacks on cities and Japanese communication lines during the period July 7 to August 13," the report said.

A *Domei* report from Tokyo on August 12 referred to a "summer offensive" attempted by Chinese forces in Shansi and other parts of central China as having been "shattered" by the Japanese. This claim ignored well-authenticated reports the previous week, which showed that the Japanese military campaign in Shansi had been bogged down completely by torrential rains which had turned the country into a quagmire.

Campaigning in a Flooded Region

Press Union photo

Japanese soldiers and their heavily laden pack horses are here seen wading a stream in Shansi province—a stream caused by heavy rainfall.

Guerrillas Appear Numerous

From Taiyuan on August 14 *Domei* reported that during mopping-up operations in various parts of Shansi in July, Japanese forces engaged 127,000 guerrillas, killed 8,821 and took 731 prisoner.

The Chinese authorities were not far behind the Japanese in laying claim to military successes. Military circles in Chungking, according to a *Transocean* dispatch from that city on August 12, stated that the situation in Hupeh as well as in Hunan had definitely turned in China's favor following a new Chinese counter-offensive. On the Hunan front it was claimed that Chinese forces had penetrated to the suburbs of Yochow, Japanese base of operations, while in northern Hupeh they had recaptured all positions lost by them during the previous ten days. Chinese troops in northern Hupeh, it was stated, were within sight of Suihsien, which is the main Japanese base in that sector.

Another *Transocean* dispatch from Chungking, also on August 12, intimated that the Japanese forces in Hupeh were endeavoring to push forward to Shasi and Ichang, Yangtsze River ports. The Chinese authorities denied that Chinese troops intended to evacuate Ichang. Some time ago, evacuation of the civil population was ordered, due to Japanese air raids.

Predicts Nanning Attack

The *Central China Daily News*, organ of Wang Ching-wei, carried a report from Hongkong on August 13 stating two divisions of Japanese troops had been transferred from central China to Hainan Island in preparation for a general offensive in South China. A landing at Pakhoi was predicted, to be followed by an attack on Nanning, leading city in Kwangsi province.

Chinese positions in Haiteng, 20 kilometers west of Amoy, were subjected to intensive aerial bombardment by Japanese naval aircraft on August 10, according to *Domei*. Also attacked were Chinese bases at Fungkai on the Chaochow-Swatow Railway, Paotaishih, 20 kilometers southwest of Chaochow, and Kuhsiang, near Chaochow, the agency said.

On August 14 Japanese naval aircraft bombed and demolished godowns and motor cars near Kian, in Kiangsi province, the same agency reported. Whether Kian city was bombed (it was previously bombed several times) was not stated.

Chinese reports said late last week that fierce fighting had been resumed in the Chungshan district of Kwangtung province. More than 30 Japanese warships, it was stated, launched attacks on Tiehshih and Kuchen on August 9 and attempted to put landing parties ashore. The Japanese were repulsed after several hours of fighting, during which several of their steam launches were sunk. Later in the day, the Japanese resumed their attacks, the reports said.

'Lone Battalion' Costs Said Angering Japanese

Angered by the alleged heavy drain upon the already-depleted finances of the Shanghai Municipal Council caused by the maintenance of several hundred ex-Chinese soldiers interned in the International Settlement, Japanese ratepayers may soon halt paying their taxes, the *Tairiku Shimpo*, local Japanese daily, reported on Tuesday of this week in a featured article.

The Chinese, members of the "Lone Battalion" that entered the Settlement through the British defense sector when the Japanese forces occupied Chapei in October 1937, have been interned in a camp at the corner of Kiaochow and Singapore Roads. They at first numbered 230 men, according to the daily.

Their maintenance cost was first paid by the Chinese Nationalist Government, but since the fall of Nanking, the *Tairiku Shimpo* said, no money has been forthcoming to defray the cost of their internment. "The Council hopes to be repaid some day by the Chungking Government, although there is no possibility of that regime making any payments," according to the newspaper.

Indignation has been caused among Japanese, the daily claimed, because of the action of the Council "in protecting and maintaining Chinese prisoners for such a long time in an area under Japanese control."

Several casualties were caused last year in a riot at the camp when the internees resisted an attempt by the Russian Regiment, S.V.C., to prevent them from hoisting a Chinese nationalist flag.

The *Tairiku Shimpo* failed to state what should be done with the internees.

Japanese-Korean 'Fusion' Said Vital To Creation of New Order in E. Asia

BY GENERAL JIRO MINAMI, Governor-General of Korea

(Translated from the Bungei Shunjo)

Editor's Note:—The following article by the Governor-General of Korea is interesting and significant for the fact that it reveals, by indirection, the difficulties which Japan is still experiencing, after years of effort, in Japanizing the 23,000,000 inhabitants of the Korean Peninsula, which was converted into a Japanese colony after China's defeat in the Sino-Japanese War of 1894-5.

JAPAN is at pains to construct a new order in East Asia. At the same time she is willing to do what she can in the way of assisting Germany and Italy, her anti-Comintern axis allies, in their efforts to establish a similar order in Europe. As Governor-General of Chosen (Korea), I am firmly convinced that a fusion of the Japanese and the Koreans into a harmonious whole is a sure step forward in Japan's march towards a realization of her lofty ideal, the building of a new order based on moral principles in this part of the world. Such fusion is the highest aim of the administration of Chosen and it occupies as well an important place in the policies of this country. That is why Japan and Manchukuo have made brothers with each other and why China is destined to cooperate with us.

In the light of this, both Japanese and Koreans should endeavor with grim determination and indefatigable energy to achieve their fusion into one. "We 23 million inhabitants of the peninsula cannot do better than become Japanese subjects." Such seems to be the sentiment of the people there, and I am thoroughly convinced that, so far as Chosen is concerned, the foundation has been laid for the work of racial fusion. As a means of implanting this spirit of fusion in the minds of Koreans residing abroad—Europe, America and the South Seas, as well as Manchukuo and China—I had instructions dispatched under date of December 12, 1938, by Prince Konoye, the then Premier and Foreign Minister concurrently, to the Japanese Ambassadors and Ministers in those parts, to the effect that this matter should be taken up in dead earnest.

Koreans Abroad Cool

This was but a natural line of action to take. In America, for example, Koreans residing there had not shown any willingness to rely on the Japanese diplomatic establishments; nor had the latter made any attempt to meddle with the affairs of the former. Pretty much the same thing had happened in other parts of the world. This state of affairs had placed the Koreans abroad in a position akin to that of people without nationality, a fact which was contrary to the Imperial wish for impartiality and fraternity. Hence the Government instructions regarding the treatment of Koreans abroad. One example of the effects of the measure thus taken will suffice. About one million Koreans were at the time, and still are, residing in Manchukuo. As a result of the considerate treatment given them, the status of these Koreans came to be determined: they became subjects of the Japanese Empire and at the same time people of Manchukuo in conformity with that racial harmony which formed the spirit of the foundation of this new state in East Asia. Herein lies the fundamental spirit of the racial unity of the Japanese and Koreans. In addition to the steps taken in regard to the treatment of Koreans living in the regions above referred to, the Government-General of Chosen, upon consultation with the Foreign Office and the Army authorities on the spot, established offices in those areas in North China, Inner Mongolia and other parts where the necessity of protecting and educating resident Koreans has been keenly felt ever since the outbreak of the Sino-Japanese hostilities.

Minami's Four Points

In Japan proper there are approximately 800,000 resident Koreans, and the chances are that the figure will reach the million mark in the not very remote future. Fully alive to the importance of ascertaining their conditions, I recently took a trip to Tokyo. At a meeting attended by the Cabinet members and the Cabinet councillors I had occasion to explain how Chosen is being ruled and to lay emphasis upon the following four points:

(1) That the Chosen Peninsula forms Japan's communication in times of peace, as well as of war;

(2) That, since the beginning of the China Incident, the patriotism of the Koreans has taken practical shape on more occasions than one, and that their love of the Empire of Japan and their loyalty to the Japanese Emperor have been, and are being, intensified by the untiring efforts of the Japanese Government and people;

(3) That due consideration be given to the question of guiding resident Koreans in Japan proper, particularly to the Korean student problem and the Korean labor problem, as an important policy of this country; and

(4) That the national spiritual mobilization be applied to Chosen as well.

I also discussed these questions severally with the Welfare Minister, the Education Minister, the Home Minister and the Service Ministers. Moreover, in 15 prefectures, including Tokyo, Osaka and Kyoto, I carried out similar discussion with those engaged in the work of promting the welfare of the Koreans, the work launched by the Welfare Ministry in collaboration with the Kyowa-kai (Concordia Society). In Tokyo and Kyoto, where most Korean students reside, I also discussed the matter with the principals and superintendents of schools which such students attend. Further, with a view to inspecting the daily life of Koreans, I visited such districts as Fukagawa and Shibaura in Tokyo and Amagasaki in Osaka, where their standard of living is at its lowest. On the whole, my recent visit to Japan proper taught me a great deal.

The intelligentsia in Japan proper are well aware of the necessity of pursuing the policy of bringing the Japanese and the Koreans into a harmonious whole; aware of the importance of solving the student and labor questions at issue. Unfortunately, however, the majority of the Japanese people are not yet fully alive to the strategic importance of Chosen; nor are the Koreans at large sufficiently convinced of the wisdom of making brothers with the Japanese.

Korean Students in Japan

There are at present about 12,000 Korean students in Japan proper, of which number more than 10,000 are students of middle schools and other institutions of higher standards. That these students should be looked after with great care is unquestionable, in that they are destined to be the backbone of the Japanese nation. It is necessary to see that these young Koreans are guided aright and that they are installed in appropriate places upon completing their school or college course.

This reminds me of the experience I had during the years 1919-21 when I was commander of the Japanese garrisons in China. Those were the days when the European countries and America put forth strenuous efforts to retrieve their commercial rights and when anti-Japanese ideology asserted itself among the Chinese people and boycott of Japanese goods became rampant. The Chinese who led the van of the anti-Japanese movement were those who had been educated in Japan, those with whom graduation diplomas from Japanese private colleges and universities had proved veritable passports to government service. The private colleges and universities were partly responsible for this regrettable tendency; for, they were out for business, that is, for collecting tuitions, to the utter disregard of promoting warm relations between teacher and pupil, professor and student. In their boarding houses they were subjected to indignities. All this went to the making of an unpleasant feeling and of antipathy towards the Japanese; it all served as fuel to an anti-Japanese passion ready to be kindled and fanned. From this experience of mine I am keenly aware of the great importance to be attached to the treatment of resident foreign students. The great thing is therefore to inspire brotherhood in the hearts of the Korean students in Japan proper. It is proper at the same time that the students in their turn should show themselves, by dint of self-control and self-examination, worthy of being kindly treated.

Time was when there was a tremendous influx of Korean laborers

into Japan proper. This was due not so much to a lack of labor as to the fact of Korean labor being obtainable at lower wages than Japanese. The result was that there was incessant trouble between employer and employee, born of misunderstanding on both sides. This led to the creation of a society called Kyowa-kai in every place where a large number of Korean laborers lived. The society had for its object the treatment of Koreans as our compatriots, the building of their character and the giving of education and guidance to them. Care was taken to accustom them to the Japanese language, manners and customs and other things so as to create a better understanding between Japanese and Koreans. At the same time the society saw to it that the Korean laborers were sedulously enlightened, promptly relieved when in distress, and otherwise assisted.

In 1936 the Japanese Government became alive to the necessity of establishing a semi-official Kyowa-kai as a national policy, and subsidized 31 prefectural governments for the creation of one Kyowa-kai in each prefecture, with a view to achieving the reality of fusion of Japanese and Koreans into a harmonious whole. It may be mentioned in this connection that on my recent visit to Tokyo, what is called the Chuo (Central) Kyowa-kai came into being. The exact object of this central society is not as yet fixed, but I think it should aim at controlling the 31 Kyowa-kai already in existence.

An Onerous Task

Enough has been said to indicate that the Japanese Government is concentrating its energy and attention upon the onerous task of blending Japanese and Koreans so as to make a harmonious whole. Remarkable is the progress made in this respect since 1930 or thereabouts, when the Koreans were immensely alienated in feeling from the Japanese.

There is, of course, much room for improvement. Better facilities should be given and greater efforts made, so that our object in view may be attained. We must endeavor to get a better understanding of Koreans, while Koreans themselves must make more strenuous efforts still to be worthy of being Japanese. To my mind, any attempt to make comparison, to say nothing of contrast, between Japanese and Koreans is taboo. In the eyes of the Japanese, the average Korean is out to assert his rights and is apt to forget the fact that Chosen is indebted to the forefathers of Japanese settlers there for what she is today. In the eyes of the Koreans, the average Japanese is partial and is full of a sense of superiority. Both Japanese and Koreans must not forget that His Majesty the Emperor is graciously pleased to regard them all with impartiality and benevolence. For this reason, inculcation of emperor-worship, the cult of the emperor, in the Koreans will go a long way towards achieving a harmonious blending of Japanese and Koreans.

Nippon Bombers Wreck Another U.S. Mission

Japanese planes on Aug. 12 inflicted widespread destruction on the American Reformed Church mission at Changchow, Fukien, during an air raid on the city, according to a report received by the American Embassy at Chungking, *United Press* revealed this week.

The boys' dormitory and Talmadge College were destroyed by Japanese bombs and two foreign residences were severely damaged.

American authorities said large American flags had been painted on the roofs of all the mission buildings. Japanese authorities had been informed in advance of the location of the property. The bombing marked the 36th Japanese attack on American mission property in China in the past five months.

Japanese planes have repeatedly bombed Changchow in the past without hitting American mission property or the campus, the message to the American Embassy said, and therefore it was definitely known that the Japanese possessed knowledge of the location of all mission property.

The loss suffered by the American mission was estimated to range from $60,000 to $80,000.

Bomb Explosion Injures Four on N. Honan Road

Although Aug. 13, second anniversary of the commencement of Sino-Japanese hostilities at Shanghai in 1937, passed off without incident due to the extensive police and military precautions against possible terrorist outbreaks, one bombing incident occurred on the eve of the anniversary as a hand grenade was hurled into the North Honan Road entrance of the Shanghai Inland Steam Navigation Company, a Japanese concern with offices on the ground floor of the Embankment Building. The bomb exploded and caused serious injury to three Chinese men and one Chinese women, who were on the street at the time, but did little damage to the premises beyond smashing the door. Among the injured was a Chinese police constable attached to the West Hongkew Station. The bomb-thrower managed to escape.

Jewish Refugees Riot Aboard Ship at Smyrna

The Jewish refugee ship *Parita*, which flies the flag of Panama and had been lying in Smyrna harbor several days without being able to land any of its 500 refugees, was the scene of a fierce fight on Aug. 11, *Reuter* reported.

In an attempt to prevent the captain from obeying a sailing order, the marooned refugees, hungry, thirsty, exhausted and penniless, took action, and a battle ensued between the mutineer refugees and the crew of the ship.

For some time there was the utmost confusion with isolated groups fighting in various parts of the vessel. Order was only restored when the captain, whom the refugees had threatened with death if he left port, summoned the Turkish police. The refugees came from Constanza.

Koreans in America to Expose Nippon Propaganda

Koreans residing in the United States, members of the Sino-Korean People's League of Honolulu, have announced their intention of starting a campaign to expose Japanese propaganda in the United States, according to an article by Weldon James, *United Press* correspondent at Washington. Kilsoo K. Haan, long time Korean resident of Honolulu, has established an office in Washington, D. C. and is issuing material to newspapers explaining "what Japan is up to in Asia and also in U. S. A.," according to Mr. James. Recently, Mr. Haan charged that several American organizations were cooperating in the spreading of Japanese propaganda in the United States, which brought a denial from two, the Institute of Pacific Relations and the American Council of Learned Societies. Haan, though not an American citizen, was recently invited to testify before the Committee on Foreign Affairs of the House of Representatives.

Bulk of China's Tea Exports Go to Russia

During the first five months of the current year, China exported 46,000,000 pounds of tea, or three times the amount exported during the corresponding period of last year, the Japanese newspaper *Tairiku Shimpo* reported on Aug. 10. Of this total export, no less than 85 per cent was sent to Soviet Russia. The following table gives the comparative figures for 1939 and 1938:

	1939	*1938*
	lbs.	*lbs.*
Red tea	2,165,000	9,176,000
Green tea ...	11,758,000	2,401,000
Brick tea ...	3,448,000	5,096,000
Others	28,652,000	1,266,000
Total ..	46,024,000	17,940,000

Change in Soviet Far East Command Confirmed

The removal of General Stern from the command of the First Special Far Eastern Army and his replacement by General Popoff, a division commander, was fully confirmed in the August 5 issue of the Soviet Far Eastern newspaper *Krasnoye Snamja*, according to a *Transocean* report from Moscow. The issue contained an article on, and a photograph of, General Stern's successor, and also an army order signed by him. Rather strangely, however, the paper also contained an article by General Stern dealing with the battle at Changkufeng last year, *Transocean* said.

Piggott to be Replaced As Attache in Japan

Lieut.-Col. B. R. Mulhalley, now serving with the Gurkha Rifles in Nepal, India, will replace Major-Gen. F. S. G. Piggott as military attache to the British Embassy in Japan in October, the British War Office announced on Aug. 14, according to *Domei*. Lieut.-Col. Mulhalley served in the Far East as a major from 1926 to 1932.

American Woman is Struck by Sentry

The American community in China was roused to indignation this week by reports of what appeared to be a brutal and unwarranted assault on and aged American woman by a Japanese sentry in Tientsin. Victim of the assault was Mrs. Frances Mary Richard, 59 years old. According to the *United Press* account of the incident, Mrs. Richard was pushed and struck in the face by a Japanese sentry in a searching shack at the Asahi Road barrier last Monday afternoon. She was also obliged to see a Chinese take off his trousers in one of the strip-tease acts which the Japanese have been staging in Tientsin. The sentry then confiscated a basket of vegetables and a Japanese consular identification card which she was carrying.

Mrs. Richard had her card recognized by five sentries, but was halted by a sixth who refused to recognize it. She then displayed a personal card given her by Mr. N. Nishida, Japanese vice-consul. At this the sentry became enraged and ordered her into the searching shack where she was made to empty her basket of vegetables. When she turned away to avoid seeing a man who was undressing, the sentry swung her around and struck her in the face. When permitted to leave the shack, Mrs. Richard phoned the American Consulate-General and also Mr. Nishida. Both the latter and an American consular official went to the barrier and Mrs. Richard identified the sentry who had assaulted her. The sentry, however, refused to admit that he had either struck Mrs. Richard or confiscated her Japanese consular card.

The State Department in Washington was informed of the incident and a strong protest, coupled with a demand for punishment of the sentry, is expected to be made.

10,000 at Anti-British Rally in Tientsin

A three-day "anti-British congress" in Tientsin reached a climax Aug. 15 with meetings and a parade in which 10,000 demonstrators participated, *Domei* reported. Speakers excoriated Britain as the "enemy of East Asia." White Russians and Indians as well as Chinese attended the rallies. Two separate meetings were held at the National Theatre and the Girls' Normal School, both in the native city. Hsu Hsin-min, of the Central Executive Committee of the New People's Society in Peking, presided. Representatives of the Tientsin branch of the society and of the White Russian Anti-Comintern Committee gave addresses. A speaker representing the Indian delegation declared that since the Opium War Britain had treated China as a semi-colony and kept India in colonial bondage. "This enemy of the whole Far East is still helping the Chiang Kai-shek regime and has supported the pro-Communist policy for 10 years, thus driving China to Communism," he said, according to *Domei*.

Chinese Currency Market Fluctuates

Up and down movements in the exchange value of the Chinese dollar took place this week as uncertainty continued regarding the future of the currency. From a selling rate for U.S. currency of approximately 16 Chinese dollars for one U.S. dollar which prevailed last week, the rate had improved by Tuesday of this week to $14.30 to one U.S. dollar. On the following day, however, it slipped sharply to $15.50.

The general exchange tendency suggests that recent statements made in Chungking, including one by Gen. Chiang Kai-shek (reported elsewhere in this issue) have not had the reassuring effect that was evidently intended. It is obvious that without some foreign support to bolster it, there is practically no possibility of the Chinese dollar staging a real come-back.

While there have been rumors of forthcoming British and American support for China's currency, nothing has materialized so far. While Britain has not formally renounced the policy of support pursued until recently, no further support has actually been given.

Credit Loan Rumors

Financial circles in Hongkong were quoted by the *Shun Pao* on Aug. 10 as stating that the United States Government had decided to advance China a credit of U.S.$350,000,000 for the purchase of commodities, and negotiations for similar credit loans from Britain and France were said be making satisfactory progress. This report, however, has not received confirmation.

The Washington *Star* on Aug. 8 declared that the question of British support for China's currency was the most important of the problems being dealt with by the Anglo-Japanese negotiators in Tokyo. Continuing, the paper said:

"The Japanese wish to impose a new currency in China. It is part of the Japanese campaign tending to exclude all foreign interests in China or, at any rate, completely subordinate them to Japanese control.

"The fact that this monetary question is for the present raised only with Great Britain is an unimportant detail.

"In effect, it will have the greatest influence on the commercial interests of all countries represented in China, including the United States."

Settlement Discussion Said Slated in Tokyo

Lieut.-Col. Naokata Utsunomiya, representing Japanese military authorities in Shanghai, left here on Aug. 15 by air for Tokyo, where he is scheduled to have important consultations with Government authorities on measures to "solve the Settlement question in Shanghai," according to local Japanese newspapers. Representing the Japanese naval and consular authorities here, Commander Toyo Mitsunobu and Mr. Hidenari Terasaki were scheduled to leave for Tokyo by plane the following day, the papers said.

In the United States Court for China

In re. Estate of Albert Fletcher Wilson, Deceased.

Cause No. 4421
Special Proceedings No. 2300
NOTICE
Filed at Shanghai, China Aug. 1, 1939
WILLIAM T. COLLINS
clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ALBERT FLETCHER WILSON, deceased, to present the same with vouchers to the undersigned on or before February 6, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. E. LURTON, ADMINISTRATOR,
330 Szechuen Road,
Shanghai, China.
Shanghai, China.

In the United States Court for China

In re. The Last Will and Testament of OLIVER CROMLOW CRAWFORD, Deceased.

Cause No. 4424
Special Proceedings No. 2303
NOTICE
Filed at Shanghai, China, August 12, 1939
WILLIAM T. COLLINS
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of OLIVER CROMLOW CRAWFORD, deceased, to present the same with vouchers to the undersigned on or before March 15, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Varena Scott Crawford
Executrix of Last Will and Testament of Oliver Cromlow Crawford, Dec'd.
Soochow, China.

Shanghai, China.

Background and Doings of China's Red Spears

BY NORMAN D. HANWELL
(Asia Magazine)

SECRET societies have been the backbone of every revolutionary movement in China, past or present. Today, under stress of war, this time-honored institution is undergoing major changes; and a gradual breaking away from feudal characteristics is taking place.

Peasant secret societies such as the Red Spear, Yellow School, Heavenly Gate, Yellow Sand, Old Gold and others too numerous to mention, have carried a statement to the effect that fifteen hundred Red Spears in Shansi had surrendered, twelve of their delegates having come to a Japanese garrison and signed a "document of consignment for fifteen hundred Red Spear partisans." In contrast to this, the general tendency has been increased resistance in the societies already active. The combination of previous oppressive conditions and the disrupting effects of invasion It is the results of a number of these studies, published in Chinese by investigators of quite different political backgrounds, which enable me to essay the following analysis and sketch briefly the background and present activities of secret societies, with particular emphasis on the Red Spears.

China's first secret society is said to have been founded in the period of the Three Kingdoms (220-265), by the

Nippon's Invading Hosts Must Reckon With the Red Spears

Press Union Photo

In the provinces of North China, Japanese contingents such as the one pictured above have to spend much, if not most, of their time and energy in beating off attacks by mobile guerrilla bands of Chinese fighters, many of whom belong to the famous Red Spears organization which is described in the accompanying article.

taken part in battles along the Tientsin-Pukow Railway, along the Hwai River, and in many other vital areas. Having formerly participated in self-defense operations against petty bandits and disbanded soldiers, they have now turned to aiding the struggle for national liberation. Since they lack political leadership, adequate military equipment and training, they are sometimes unable to continue their harassing defensive activities. The Japanese military have occasionally been successful in buying over some of the leaders. In August, 1938, the *Peking Chronicle* have left the peasants no other outlet than that of organized resistance.

China's Secret Societies

Few Westerners have been able to learn much at first hand of China's existing secret societies. Even those who over the years have culled bits from their Chinese friends have not made their results generally available. But Chinese, naturally better qualified to investigate these indigenous organizations, have been studying them, in the belief that they can play as vital a rôle in the current national resistance as they have in the past. Chinese heroes Liu Pei, Kuan Yu and Chang Fei, paralleling the Knights of King Arthur's Round Table in English folklore. Some Chinese secret societies have been personal, some religious, others political, and still others a combination of all three. Religious societies, which grew up during the periods of religious persecution which Taoism, Buddhism and Nestorianism suffered from time to time, carried on their activities underground. With the passing of religious persecution, the purely religious secret society has become less prevalent; yet elements of the religious do adhere to

modern secret societies even though they be primarily political in character.

There is little doubt that the principal cause for the growth of these organizations in China is the extreme difficulty and uncertainty of life in a heavily populated country, devastated unceasingly by flood, drought, epidemic and civil war, the latter itself a manifestation of the excessive overpopulation. Under such conditions the struggle for existence is so great that the isolated individual counts for very little. Alone he would shortly succumb in his efforts to maintain himself. Hence the axiom "Union makes strength," as a French observer aptly points out, "assumes in China a value unknown anywhere else to a like degree." This innate tendency of the Chinese to associate is actually an absolute necessity.

The immediate origin of a political society was generally misrule and oppression, not primarily an attachment for some previous Chinese dynasty, as is so often claimed. This theory is confirmed by the activities of existing societies and their prevalence in areas notorious for the oppressive conditions existing there. The profession of an attachment to a dynasty may play a part in rallying some to the standards of the society, but it is more likely to be a form of ritual for maintaining the cohesion of the group than any sincere desire to place a descendant of a former dynasty in power. Indeed a more probable development than this would be an attempt of the society's own leader to usurp the power and authority of the government, as was the case with the Taiping leaders of the past century.

Taiping Origins

The Taipings were themselves organized as a secret society, and their ability to continue in active rebellion for more than ten years is indicative of the strength arising from their association. With their defeat, however, they broke up into countless separate secret societies.

One which grew to great strength over large areas was the *Ko Lao Hui*, literally the "Elder Brother Society," which remains powerful today. It is particularly strong in western and northwestern China, and reports have even come from the eastern province of Shantung of the presence of related societies of the Elder Brother. In the 1911 Revolution which overthrew the Manchu Dynasty, this Elder Brother Society played a vital part: in Szechwan, for example, its leaders were appealed to for assistance in opposing the government soldiers.

An idea of the confused organization of some Chinese societies may be gained from the conflicting actions of Elder Brother Society members following the inauguration of a new provincial government in Szechwan at that time. Feeling themselves left out in the division of offices, the secret societies, together with some of the leading officers of the local militia, began making exorbitant demands. A section of the Elder Brother Society troops "were no better than robbers," in the belief of one Chinese historian, and they joined in looting expeditions which accumulated so much in one day that it was named the "day of looting." However, one of the leaders of the Society was prevailed upon to take his troops into the region of looting, where he captured all the looters he could find and promptly beheaded them. Incidentally, it was a picked body of these Elder Brother Society troops that was partly responsible for the leading of foreigners resident there to a place of safety.

Feudal Characteristics

A number of studies of local administration in Szechwan made only a few years ago state that district heads there are concurrently leaders of the Elder Brother Society, thus indicating a certain feudalistic character in its organization in that province. In contrast Edgar Snow is responsible for the statement that Ho Lung, well known as the "Red" Robin Hood of China, is a member of the Elder Brother Society with the highest degrees, and that it is claimed that "he can go unarmed into any village of the country, announce himself to the Ko Lao Hui, and form an army." That there are certain equalitarian ideas within the secret organizations is indicated by the following section of a secret society ritual quoted by a contemporary Chinese historian: "The Supreme Being charged us to destroy the evil contrast between crushing poverty and excessive luxury. Father Heaven and Mother Earth had never given to the few the right to abuse, for their own satisfaction, the properties of the millions. . . . The Sun with its radiant face, the Earth with its treasures, the world with its joys, are a common good that must be taken back out of the hands of the few, in order that they may be universally enjoyed by the millions."

China's political development is closely linked with secret societies and a large proportion of her leaders belong to them. Special studies have been made of Dr. Sun Yat-sen's use of such societies, a number of which he joined. John C. DeKorne says that "the Kuomintang stands on the shoulders of the secret societies of the past; there being thus a certain parallelism between the Kuomintang and the T'ai P'ings of last century. . . . It also finds it necessary to lean heavily on the secret societies of the present." T'ang Leang-li, historian of the Kuomintang Revolution, claims that "without the activities of the secret societies the Republican Revolution would never have materialized."

Chiang Used Them

There are consistent reports that both Sun Yat-sen and Chiang Kai-shek utilized certain secret societies powerful in the Yangtze Valley, in particular the *Ch'ing Pang* and *Hung Pang* (Green Gang and Red Gang, respectively), for building and maintaining their hold on that region. The distinction between these societies, or "gangs"—for they do contain less reputable elements — and other secret societies in China lies partly in the fact that they are made up of boatmen and tradesmen, rather than peasants. The Green Gang and Red Gang are said to have been formed by the boatmen of the river and Grand Canal at a time when the operation of the government's salt monopoly threatened them with unemployment. DeKorne refers to the allegation that the leaders of these gangs live in a French Concession and are well known to the officials. "One of them," he adds, "maintains a fortress-like castle on one of the hills comprising the Mokanshan Range near Hangchow, and is escorted by an armed guard wherever he goes. He looks like a meek, benevolent old scholar, and it is hard to believe the stories one hears of his prowess and that of his organization in racketeering."

THE RED SPEAR SOCIETY (*Hung-Ch'iang Hui*), with which we are most concerned, is a more elemental society, an organization whose fundamental purpose is and has been that of self-protection. Along with other societies, it has grown particularly in the periods of stress and strain which so fill China's history. And today, when China is passing through one of the most intense of such periods, the Red Spears flourish as never before. They opposed outside invasion by the Mongols, they resisted the government of the Manchus on many occasions, and have resisted the various onslaughts of foreign imperialism. Back in 1925, during one of the periodic civil wars, they reacted strongly against the military conscription that was becoming commonplace in China's villages. Feng Yu-hsiang, so-called Christian General of China, coöperated with them in 1926-1927 and sent men to organize them. Most military leaders, however, have been unable to make use of them, since one of the primary aims of the Society is resistance to military oppression. In general, their only tasks have been to oppose harsh and oppressive taxes, all too prevalent in rural China, to beat off bandits and to protect their homes.

Recruited From Peasants

By far the greater part of the Red Spears are recruited from China's peasants. Though they include owners, part-owners and tenants, most are farm laborers, who form the lowest economic unit in China's present economy. In addition one finds a few rural handworkers and market clerks.

In some sections of China, South Honan, for example, the Red Spears form what might be literally translated as the "Red School." Leadership is vested in the *Hsueh Tung*, the School Managers, under whom there are the *Chiao-shih*, or teachers, who are the lecturing officers. These leaders, teachers and managers each have followers or disciples numbering from hundreds to groups large enough to be counted by ten thousands. All of the disciples are taught to consider that their teachers are "omnipotent and holy," and that they are to be obeyed absolutely.

Leadership of the Red Spears may be divided into two categories. By far the larger group is made up of the wealthy local landlords, gentry with both money and power, who, because they possess relatively large portions of land, have many tenants subject to them. Whenever there are bandits present in the locality, the landlord, as a School Manager, calls together his tenants, as members of the Red Spears, and passes out arms to them in order that they may aid

in the defense of his holdings. With the return of more peaceful conditions, the arms are restored to the landlord's keeping. It behooves such a landlord to cooperate with the Red Spear Society because of its anti-bandit policy which helps to protect his possessions. Yet there is reason for him to fear that it might some time act to the advantage of the peasants, most of whom have no possessions of any consequence, and resist, not only political and military exactions, but also arbitrary exactions of the landlord himself. Many such landlords exist on rents and income from loans, both of which are customarily excessive. The landlord, therefore, coöperates with two organizations often antagonistic in character and attitude: he works with the Red Spears of his own market-town or locality for resistance to banditry and official excesses, and he coöperates with his fellow landlords and rich peasants to prevent the realization of any of the peasants' demands at his expense.

A Popular Leader

Other Red Spear leaders are of direct peasant stock. They are not elected by the peasants, but, having demonstrated their courage, their generosity, their friendliness and vigor, they have come to be looked up to as leaders of the Society. A tribute to one of these leaders by a critical Chinese student may give some indication of the type. In southern Honan there is one Ch'en Hsien-ming (whose name may be written differently in various places because he cannot himself write it!) who is much beloved and trusted by the peasantry of his region. This thirty-year-old peasant leader at one time was, in a small way, a landowner, possessing from eight to ten *mu* of land. Because of his love for his friends, which led to his supporting them, he sold his small piece of land and now is in the position of so many Chinese peasants—to translate the colorful description of this Chinese investigator — a man "burning under the sun, breathing the heavy wind, sweat running down his back, tilling another man's land, a tenant." On one occasion the magistrate of Ch'en's district, wishing to rally the peasants to resist Japan, went with his personal bodyguard to have an interview with Ch'en, but Ch'en, having heard of his coming, did not remain. Later, after the followers of the magistrate had explained the purpose in view, a meeting was arranged. Ch'en, though willing to resist Japan to the end, refused to accept any official position, since he was distrustful of official policy. In the course of the meeting there were whispers on the part of some of his followers to the effect that he had sold them out, but upon its conclusion it was clear that he still belonged as before to the mass of peasants. This incident is illustrative of the very unhealthy, though unfortunately justifiable, suspicion of local officialdom by the Chinese peasantry.

Though the customs of the Red School probably differ from locality to locality and naturally the secret part of their program is difficult to confirm, since no outsider is permitted to attend, there are descriptions by Chinese in print. In some sectors members of the Red School "go to school" in a temple each evening, arriving with their red-tasseled spears. Reaching the School Hall they come before the incense altar common to all Chinese temples, bare their backs and kneel to listen to one of their leaders lecture. Following this, each one breathes deeply and beats his breast, ending with the shouting of the slogan *"Chi kung lai yeh!"*—a phrase difficult to translate. Perhaps it might be compared to "The gods be with us!" a sort of incantation from which strength may be obtained. Out of this process some of the Red Spears are convinced of their invincibility in battle and immunity to death therein.

The Type of Training

Certain persons profess to find in this type of training some scientific basis. For example, the regular evening attendance, the listening to lectures and the sitting in meditation are good training, they claim, for the development of the quality of serenity or tranquillity. The practice of holding the breath and beating the breast is excellent for developing the lungs. The crying out of the slogans is declared to be good training for breath control. Whether we accept any of these "scientific" values or not, we must admit that there are psychological advantages to be obtained from these practices. The peasant convinces himself of his own ability to undertake certain tasks, and his conviction inevitably increases his effectiveness.

A recently made investigation of the White Spear Society of Anhwei Province, an area now under Japanese occupation, reports that the superstitious "Chi kung lai yeh!" has been replaced by slogans more appropriate to present activities. Among these are "Kill the Eastern Sea Devils"—that is, the Japanese—and "Kill the Traitors"—that is, those Chinese coöperating with the Japanese.

BECAUSE THE SPEARS are extremely powerful in many sections, they must be given official consideration. One magistrate, finding that government orders were not reaching a particular district where the Red School was very powerful, decided upon the use of force, a "military solution." He went to the locality with the district *Pao-an Tui* (Peace Preservation Corps), and upon his arrival was able to call together a great many Red Spear members. Then, guided by developing events, he restrained the Pao-an Tui from firing a single shot. Instead he lectured the listening members, urging them to improve their locality, and appointed two of the landlord leaders of Red Spears to official positions as leaders of the local Self-Defense Corps. Immediately the situation became quiet and government orders were thenceforth carried into execution.

On the other hand, when the local government pursues uncoöperative, wrong-headed tactics, the reaction is quite different. There have been occasions when groups of Red Spears, misunderstanding certain government activities, have organized resistance even to the extent of taking up arms. In April, 1935, for example, the Tientsin *Ta Kung Pao* reported an armed uprising instigated by the Red Spear Society in the region of Suchow (the scene of major fighting early in the current warfare), against the land registration then being carried out. The land to be registered—land seized and occupied by the peasants — was located in the old bed of the Yellow River and hence was not in the land registers. The occupants apparently were fearful that the registration was to be followed by additional taxes. Armed with guns and red-tasseled spears, they attacked the police, and not until after the village office had been destroyed, was the uprising quelled.

Conflicts in Hopei

Another interesting conflict between the Red Spears and the local government was taking place periodically in 1934 and 1935 in southern Hopei, where nothing but crude salt could be produced on account of the nature of the soil. Salt has for long years been one of the main sources of tax income for China's governments; and the salt-farming peasants of this region, organized in the self-protective Red Spears, were constantly clashing with the Salt Police. On the one hand there was the demand of the government for the unpaid tax, on the other the claim of the peasants that they had to make a living. A more intelligent approach to the problem was undertaken by some government officials who, through the digging of artesian wells in the area, were apparently able to improve the soil sufficiently to enable the peasants to raise cotton. Thus the constant clashes were ended.

Consideration of the strength and weakness of the Red Spears reveals how at times the one develops out of the other. Their greatest strength is naturally that of numbers and widespread organization — for, although they are not strongly centralized, but merely regional organizations with local leaders, they are able to coöperate in protecting identical interests. On the other hand, out of this same greatness of numbers arises a weakness — a loose organization likely to result in confusion.

Red Spears' Courage

The courage of Red Spear disciples is well known. They no doubt compose many of the "dare-to-die" units which from time to time pepper despatches from the war fronts of China. To some extent counteracting this undeniable courage, however, is the general lack of planning behind it, which tends to dissipate its effect.

The loyalty of the members to their leaders and their willingness to follow them under all conditions are another source of strength, at least as concerns their mobilization for action. But the prospect of a "teacher" leading his followers down the wrong road, the "road to death," is ever present. As has happened on a number of occasions during the present hostilities, such a teacher may "sell out" to the enemy, taking his followers with him. Any action by a minority to remain faithful to their original aims of self-protection would thereupon lead to internal conflict, weakening the Spears as a defensive force.

Aside from a few savage, ambitious individuals, by far the largest

(Continued on page 388)

Chiang Speaks Message of Encouragement to Shanghai

ALTHOUGH expression of patriotic sentiments on the part of the Chinese in Shanghai was restrained on the occasion of the second anniversary of the outbreak of the Sino-Japanese hostilities in this area, all classes of people felt greatly heartened by a special message addressed to them by Generalissimo Chiang Kai-shek, praising their unflinching loyalty and asking for continued implicit faith in the national currency and ultimate Chinese victory.

Wang Ching-wei, deposed Kuomintang politician, also seized the occasion to renew his appeal for peace through capitulation to the Japanese, but his voice was utterly lost amid the general determination to continue resistance to the invaders. While the Generalissimo's message was featured in all the newspapers here, Chinese and foreign, Wang's utterance received no attention except through Japanese channels.

Shanghai Chinese Praised

Expressing deep concern for his fellow-citizens in Shanghai, Gen. Chiang assured them that patriotic resistance to economic and political pressure applied by the Japanese was sure to lead to China's victory. The statement referred at length to Shanghai's past achievements in China's renaissance and her revolution, particularly to the heroic sacrifices made by the Chinese here during the hostilities around this city.

"Their determination and heroism," the Generalissimo declared, "shattered the Japanese dream of conquering China within a few weeks and also changed international opinion of Chinese resistance, forcing other countries to the conclusion that the Chinese can never conquered and that Chinese resistance will have the brightest future.

With the war entering its third year, Gen. Chiang emphasized that the hardships suffered by the Chinese in Shanghai were bound to increase, but he assured them that "the day of our final victory comes nearer every day." The Generalissimo stated that he fully appreciated the fact that the Japanese were applying pressure upon the Shanghai Chinese both politically and economically, but emphasized that the responsibilities of the Chinese here were becoming heavier.

Only Two Roads

"There are only two roads open to us—surrender and slavery or resistance and victory. There is only one road—the road of resistance — which every patriotic, self-respecting Chinese must follow," General Chiang declared.

Referring to the currency situation in Shanghai, General Chiang emphasized that present conditions cannot affect the position of the currency. He pointed out that China is self-sufficient as regards daily necessities; and that the Chinese national resources are so tremendous that the Chinese currency has unlimited reserves.

So long as the Chinese have faith in an ultimate Chinese victory, there is a great future for the country. "Our faith in the currency." the Generalissimo stated, "can never be shaken."

After assuring the Shanghai Chinese that the National Government has carefully devised means of meeting the economic situation, General Chiang called upon them to support the currency, stating that to support the currency is to be loyal to the Government. He reminded the Shanghai Chinese of their responsibility to defend the Chinese "economic fortress."

Gen. Chiang concluded his message with the following appeals to the Shanghai Chinese:—

1. That the intellectuals and press form a "spiritual fortress" against Japanese propaganda.
2. That economic and financial circles have faith in the Chinese currency to strengthen China's financial and economic position.
3. That the Chinese youth in Shanghai realize their responsibilities, and pursue their studies and researches.
4. That the Chinese laborers in Shanghai continue their work for the support of Chinese resistance and reconstruction.
5. That all Chinese in Shanghai assist each other, and mutually share their hardships, so that the Shanghai Chinese will add a "glorious chapter to the integrity and honor of the Chinese nation and race."

Appeal to Gentry

In a stirring appeal to the Chinese gentry and intelligentia throughout the country issued on Aug. 11, Gen. Chiang urged them to assist the government in organizing the masses and enforcing local self-government. Recalling the Chinese proverb that "nations are regenerated in times of crisis," the appeal stated that the moment when China achieves the ultimate victory will be the time for coverting China into a new nation, based on the Three People's Principles.

The appeal then solicited the co-operation of the educated classes in enforcing the Citizen's Oath, so as to improve the morale and discipline of the masses during the war of resistance. The appeal also urged the people to cooperate fully with the local authorities in the readjustment of the local financial situation and the enforcement of local self-government.

In particular, the Generalissimo appealed to the people to assist the government in the execution of the following projects:—holding of household census, readjustment of land system, construction of highways, reclamation of waste lands, establishment of free schools, organization of self-defence forces, promotion of cooperative enterprises, establishment of food granaries, enforcement of the *Pao-Chia* (mutual guarantee) system, improvement of the system of tax collection.

The Generalissimo Speaks

Photo by Thomas Kwang

At a weekly memorial meeting in Chungking on July 24, Gen. Chiang Kai-shek spoke on the present international situation and China's currency problem. The speech is summarized in the accompanying article.

China Said Stronger

In a speech on July 24 on the present international situation and the problem of China's currency, Gen. Chiang stressed the fact that China today is stronger than ever before. He asserted that at present there is a greater ability both with regard to the military situation and to home affairs. Today China's military strength and her ability to exercise it are steadily improving. Meanwhile, national solidarity has been further enhanced since the departure from the government of Wang Ching-wei.

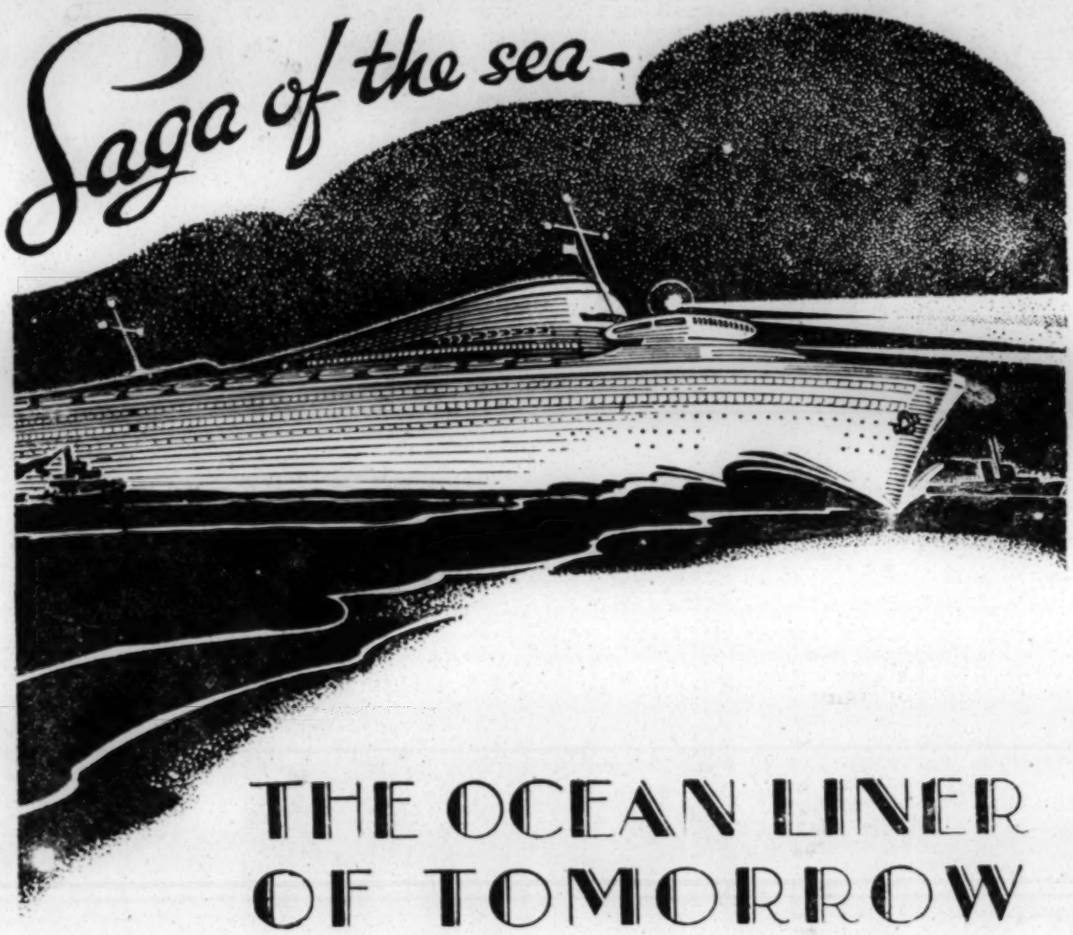
Gen. Chiang declared that the tricks of the enemy by utilizing the traitors to create trouble and attempting to effect China's isolation from nations friendly to her, were doomed to failure. There can be absolutely no question of China's being isolated as long as the majority of the peoples of the world are determined to uphold justice and peace, he said. The Japanese dream for a "Far Eastern Munich" would have not the slightest chance of realization, he declared.

Quoting the precept that "Heaven helps those who help themselves," Gen. Chiang urged the Chinese people to rely ultimately in all spheres—military, economic and diplomatic—upon their own unaided exertions. He firmly believed that no friends of China would abandon her while she herself remained sound and upright.

Will Maintain Dollar

As regards China's economy and currency, Gen. Chiang declared that they were built upon a firm foundation. Although a state of

Saga of the sea—



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uncertainty has existed because of the manipulations of the Japanese and their puppets, resulting in the decline of the exchange rate, Gen. Chiang said that the government would certainly maintain the value of the national dollar and adequate supply of foreign exchange for legitimate purposes. Particularly in regard to foreign exchange, the Generalissimo further stated, the government had already devised an effective method of control. He added that he would personally see to it that this method of control was carried into effect.

Finally, Gen. Chiang declared: "The recent fall in the exchange value of the national currency will in no way impair our ability to continue resistance. We have long ago stored up adequate military material and laid aside foreign exchange to meet the needs of replenishment. There will be no need of coverting our gold reserves to this use."

Gen. Chiang Kai-shek in the first week of this month inspected the Chinese defence lines in Central China. After visiting the front and conferring with the field commanders, he returned to Chungking by air on August 8.

Chiang Gets Banner

As a tribute to Gen. Chiang Kai-shek's leadership in directing China's war of resistance against the Japanese aggression during the past two years, Lord Cecil and M. Pierre Cot, the British and French chairmen of the International Anti-Aggression Campaign, have presented the Generalissimo with a red silk banner, which recently arrived at Chungking from Geneva by air.

Important decisions regarding the conduct of military operations were reached at a recent meeting of the Supreme National Defence Council, presided over by Gen. Chiang Kai-shek and attended among others by Gens. Li Chi-sen and Pai Chung-hsi, noted Kwangsi military leaders. Gen. Pai, who is now director of the Generalissimo's Southwestern Provisional Headquarters, expressed satisfaction with the tactics adopted by the Chinese High Command in Shansi. He pointed out that recent Chinese victories in that province were largely due to the close cooperation between the people and the troops.

The meeting adopted a series of measures, providing that in areas under Japanese occupation the conduct of both party and military affairs shall be entrusted to the guerilla leaders, while in war zones, on the Chinese side of the fighting front, such affairs will be controlled directly by Chungking.

Wang Speaks Again

In another outburst against Gen. Chiang Kai-shek, Wang Ching-wei made a radio speech in Canton on Aug. 9, denouncing the Generalissimo as "the foe of the Republic of China and of the people of the Republic of China." Wang urged the Chinese forces in Kwangtung to conclude a regional armistice with the Japanese, and claimed that the Japanese forces in Canton were prepared gradually to restore to a new Chinese administration areas now under their occupation, provided the Chinese armies voiced a desire for peace and denounced communism.

Reiterating his belief that Japanese peace proposals as contained in the statement issued last December by the ex-Japanese premier, prince Konoye, did not infringe upon China's independence, Wang bitterly attacked the "scorched earth" policy of Gen. Chiang Kai-shek.

While Wang's attack was generally ignored, Gen. Chang Fa-kwei, commander-in-chief of the Chinese forces in Kwangtung, saw fit to deliver a scathing answer to his proposal for a "regional armistice." Declaring that Wang Ching-wei "is seeking to become China's Franco or Henlein," Gen. Chang said that Wang is nothing but the mouthpiece of the Japanese Army. In a radio broadcast addressed to the people of Canton, the famous commander of the "Ironsides" posed the following question: "Are you willing to let Wang Ching-wei lead Japanese troops and turn the 'cradle of the Chinese revolution' into a slaughter-house for your fellow provincials?"

Public Enemy No. 1

"The whole world knows," Gen. Chang added, "that the Chinese people recognize Gen. Chiang Kai-shek as China's sole leader and the National Government as the only government. Wang Ching-wei has long been known as Japanphobia. He is today the greatest public enemy of the people."

According to intelligence reports received at Chungking, Wang Ching-wei is organizing a so-called national Kuomintang congress for the formation of the highest central party offices, thereby paving the way for the establishment of a new puppet government. Japan is said to have promised Wang Yen 1,500,000 for expenses of the congress. The first installment of Yen 500,000, it is alleged, has already been received from the Yokohama Specie Bank through Chu Ming-yi, a close associate and brother-in-law of Wang. Chou Fu-hai and Kao Tsung-wu, two other followers of Wang Ching-wei, are said to be very active in organizing the congress.

Wang's Organ Boosted

An ingenious but despicable way of boosting circulation appears to have been devised by the *Chung Hua Jih Pao*, Wang Ching-wei's organ in Shanghai. In an attempt to force Wang's views on the public, passengers arriving or leaving the North Station are reported to be compelled to buy a copy of the paper. Passengers who buy train tickets at the North Station are charged four cents extra for a copy of the *Chung Hua Jih Pao*, whether they like to read it or not. Those who fail to possess a copy are not permitted to leave the station.

Establishment of an economic dictatorship in Japanese-occupied areas of China, regulating production and distribution, was urged by the Japanese paper, *Tairiku Shimpo*, as a means for the successful development of Hua Hsing Commercial Bank currency.

Early collapse of the Hiranuma Cabinet was predicted by the *Ta Kung Pao*, influential Chinese daily in Hongkong. The present Japanese cabinet, the journal said, is nothing but the tool of the Army and commands no respect at home. The fall of the Hiranuma cabinet, the paper believed, will hasten the collapse of the political structure of Japan in view of the present stale-

(Continued on page 388)

New Home for Red Swastika Society

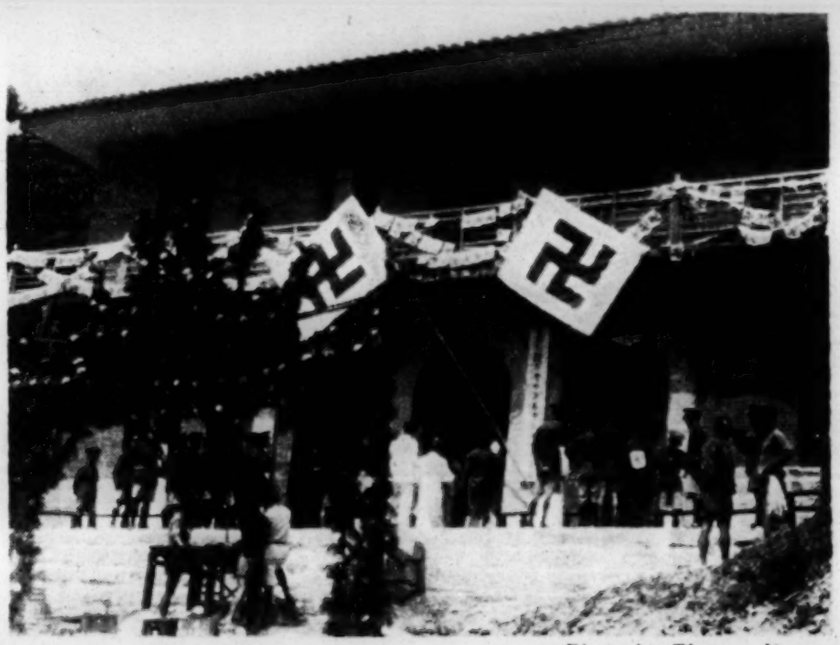

Photo by Thomas Kwang

This new $30,000 home of the Chinese Red Swastika Society was recently opened in Chungking. The Society engages in relief work and has performed especially valuable service during and after air raids on the provisional capital.

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Red Spears of China

(Continued from page 383)

group of Red Spears are passive in nature. Like most Chinese peasants they have developed a fatalistic attitude involving general acceptance of existing conditions, even contentment with their lot. This attitude of tolerance has much to recommend it, particularly in a world so full of the reverse, of a baseless intolerance of minorities innocent of any fault save that of mere existence. In China, however, this tolerance seems to have been carried too far. Not until a condition has become absolutely impossible will the Chinese peasants strike back, and then more often in a disorganized than in an organized manner. Of late, however, efforts on the part of those politically more intelligent are beginning to show results. Indeed, an awakening from passivity may be one favorable result of the war in China. Under the pressure of war it has become possible for peasant organizations to be developed on a much grander scale than before. This has been realized by some Red Spear groups, who have asked that experienced organizers be sent to help improve and develop their own organizations.

Primitive Armament

THE ARMS EQUIPMENT of the Red Spears, although perhaps not adequate, is quite large in quantity. It is of an inferior type—old rifles, many of them locally made, and the more primitive Red Spears and big swords. It is of course impossible to estimate the number of weapons with any exactness. In one district of southern Honan one estimate claims for the Spears some ten thousand rifles. The sources of these rifles are varied: some are purchased, as indicated earlier, by landlords, others are gathered in the course of fighting after they have been abandoned by fleeing soldiers, and others are purchased locally, from the small arsenals. In the south Honan district referred to, rifles can be purchased for ten Chinese dollars.

Despite their present admitted weaknesses the potentialities of China's great secret societies are so enormous that it is small wonder if leaders of groups now active in the struggle for political control in China are anxious to exploit the great man power they represent. Various ways and means of coöperating with them have been considered. In almost every case there is the realization that their primary grievances must first be satisfied. Most important among the suggested methods are the following: No new taxes must be imposed. All unjust exactions or forced contributions must be stopped. Absolute discipline of all military forces, national, police or local militia, must be enforced. No mistreatment of local inhabitants is to be tolerated. The military and police should coöperate with the secret societies in rooting out all local bandits, robbers, and "traitors." Once the elemental demands of the secret societies have been met, they will naturally be more susceptible to nationalistic propaganda. Whether they prove to be a force for progress or for reaction will depend upon the source of their leadership. Under present progressive leadership all signs indicate that China's secret societies are going to war.

Chiang Speaks Message

(Continued from page 386)

mate in the military operations in China.

Some 50 Italian air pilots are due in China at the end of this month to join the Japanese air force, while a group of German pilots is on its way to China, according to press reports in Hongkong. The Japanese are said to have purchased 200 airplanes from Germany to be delivered at the end of the year. Another interesting report in circulation is to the effect that the Japanese are organizing an International Air Force, composed of Japanese, German and Italian fliers, who will be sent to Manchuria to assist the Japanese in war against Russia.

Peiping Puppet Sick

Allegedly insulted and rebuked by Gen. Sugiyama, commander-in-chief of the Japanese forces in North China, because of a disagreement over the question of the anti-British campaign, Wang Keh-min, head of the Peiping puppet regime, is reported to have asked for one month's sick leave and is recuperating in the Western Hills on the outskirts of Peiping.

Nanking now has a new "foreign minister" in the person of Hsia Chi-feng, who was previously vice-minister of the Interior. Since the assassination of Cheng Lu last February in Shanghai, Lien Yu, the vice-minister, has been acting in that post. Lien was recently "promoted" minister of industries, succeeding Wang Tse-hui, dismissed.

Japanese Want Control of Frenchtown Court

Jurisdiction by the Japanese authorities or officials of the "Shanghai Special Municipality" over the Special District Court in the French Concession was requested by Mr. Yoshiaki Miura, Japanese Consul-General, in an interview with M. M. Baudez, French Consul-General, this week, according to a communique issued by the Japanese Consulate-General.

On Aug. 9 M. Baudez, following negotiations with Mr. Miura, presented a proposal of the French Government regarding the court. The plan was not acceptable to the Japanese authorities, the statement said.

S.M.C. Road Workers Demand Higher Wages

Chinese workers employed by the road building section of the S.M.C. Public Works Department are demanding an increase in wages, according to the *Shun Pao*. Their present wage, the paper reported, is 65 cents per working day, with half-pay on rainy days. According to the Industrial Section of the S.M.C. the cost of living of Shanghai workers is 88.56 per cent higher than in 1936.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

July 29

Wuchow, Kwangsi port, heavily bombed by Japanese planes on July 26, according to reports received at Chungking. Over 100 bombs were dropped, damaging the American Southern Baptist Mission, killing 60 Chinese and wounding 300 others.

Chinese guerillas operating along Shanghai-Nanking Railway attacked and wrecked a freight-passenger train near Wusih. Several sections of track were blown up, the locomotive and eight freight wagons derailed.

Chincheng, in southern Shansi, recaptured by the Chinese on July 26, according to Chinese report. In retreat, the Japanese left a large store of ammunition.

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July 30

Foreign military observers in Chungking predicted that the Japanese might launch a new campaign along all fronts in September in the hope of overwhelming the Chinese defence lines and bringing the hostilities to an end. The immediate objectives, they said, would be Sian (Shensi), Ichang (Hupeh) and Nanning (Kwangsi).

In new instructions to Sir Robert Craigie, British Ambassador at Tokyo, Lord Halifax, British Foreign Secretary, said to have insisted on Japan calling halt to the anti-British campaign in the Far East. New London move believed result of the United States' action in abolishing the American-Japanese commercial treaty.

Sixteen British missionaries from Shansi, who were driven out by the anti-British movement there, now marooned at Shihchiachwang, floods having completely disrupted traffic on Peiping-Hankow Railway.

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July 31

Two more American mission properties bombed by Japanese planes, according to reports received by American Embassy at Chungking. On July 28, Japanese planes dropped six bombs on the hospital compound of the Lutheran United Mission at Kiaoshan, Honan, damaging the hospital and causing six Chinese casualties. The Embassy also announced that the American Stout Memorial Hospital at Wuchow, Kwangsi, were badly damaged on July 26, when hit by three Japanese bombs.

Shumchun, Kwangtung village near Kowloon, bombed by Japanese planes twice this morning. Japanese warships bombarded Chungshan District.

Some 50,000 Japanese staged mass anti-British demonstration in Tokyo; Sir Robert Craigie, British Ambassador, called "Enemy of Asia."

Eugene Chen, former Chinese Foreign Minister, now living in Hongkong, issued statement (yesterday), condemning the Anglo-Japanese accord on China in Tokyo. He warned Premier Neville Chamberlain that he "will have to reckon with the possible decision of Chinese nationalism to prevent the British from collecting the wages of sin."

Major fighting in progress in South Honan, where Japanese forces are pushing westward in three columns.

August 1

Chungking again raided last night by Japanese planes, which concentrated their attack on south bank of the Yangtsze River where British and American properties are most numerous. Fierce anti-aircraft fire kept the raiders high in clouds. Extent of damages not yet ascertained.

Britain reported consulting the United States and France regarding Japan's demand for recognition of the Japanese-sponsored currency in China and the surrender of £800,000 worth of Chinese silver deposited in foreign banks in the British and French Concessions in Tientsin. Paris believed to have agreed to China currency support plan. Britain said willing to surrender the four Chinese suspects in Tientsin to the Japanese as a price for the lift of the Japanese blockade.

Anti-British and anti-foreign campaign, sponsored by the Japanese, said spreading from North China to the Yangtsze Valley. Posters proclaiming "Down with British, American, French and Russian interests" seen in districts north of Yochow, Hunan. British missionaries at Tsangchow, Hopei, told to leave city.

A total of 365 engagements were fought on all fronts for the second half of July, stated a Chinese military communique issued at Chungking last night. Details of the engagements said to have been fought were:

Number of engagements on all fronts—365.
Japanese kill in action—13,694.
Number of rifles captured—4,908.
Machine-guns captured—13. Field-guns captured—5.
Japanese tanks destroyed—56.
'Planes shot down—10.
Japanese warships and vessels sunk—13.
Railway behind Japanese lines damaged—36 kilometers.
Highway damaged—104 kilometers

*
**

August 2

The Catholic Church and hospital of the French Paris Foreign Missions at Kweilin, Kweichow, completely wrecked on July 31, when they were struck by Japanese bombs in severe Japanese air raid.

Tienpai, on southwestern coast of Kwangtung, 65 miles east of Kwangchowan, experienced its first bombing when Japanese planes raided the city and destroyed a middle school.

Sir Robert Craigie, British Ambassador at Tokyo, instructed to lodge further protest with Japanese Government over anti-British campaign in Japanese-occupied China and Japan, revealed Premier Neville Chamberlain.

Two British women in Kaifeng, Honan, said striped in the presense of a man, either Japanese or Korean.

Mrs Bertha Dold, German woman, who operated a boarding house in Tsingtao for 30 years, evicted by the Japanese from her house on July 27. Mrs. Dold now in hospital after allegedly being thrown out of the window of her house when she attempted to resist the Japanese seizure.

Machialing, strategic point in central Hupeh, near Yunglung river, reported recaptured by the Chinese.

A boast that "the Japanese navy is convinced that it has enough strength not to be defeated by any navy in the world," was made by Japanese navy spokesman in Shanghai in answer to the recent report of Admiral William Leahy, United States Chief of Naval Operations, that the American navy was "unequalled by any major naval Power."

According to foreign travellers returning to Shanghai from a tour of Japanese-occupied areas in Kiangsu province, despite Japanese precautions, Chinese guerilla units have been very active. During the past week, they destroyed several bridges, obstructed transportation lines and blew up trains and vehicles.

Cost of living in Chungking rapidly mounting. Rice $15 a picul; a pair of leather shoes over $30; gasoline $8 a gallon; cigarettes $4 a tin; a box of 25 "Corona" cigars $100; a bottle of brandy $40 and a bottle of beer $5.

*
**

August 3

Over 100 casualties reported to have been caused among villagers last night in another Japanese air raid on Chungking. All the casualties occurred on the hillsides on north bank of the Yangtsze and western suburbs of the city. The raid was carried out by 27 Japanese planes in two groups. Heavy Chinese anti-aircraft fire and efficient handling of searchlights prevented the raiders from bombing the city proper.

Anti-British drive in Shansi intensified; many British residents forced to leave the province.

A British government spokesman in London declared (yesterday) that the anti-British campaign sponsored by Japan in Japanese-occupied areas in China was a violation of the Arita-Craigie agreement.

Japanese blockade of the Tientsin British Concession further tightened since August 2. Foodstuffs prevented from entry into the area.

Spokesman for Japanese War and Navy Offices denied the Chungking report that Japanese troops were withdrawing from Central China, particularly from the Yangtsze Valley.

H. G. Wells, famous British author, in an article in the **Daily Herald**, London, forecasting the future in the Far East, says that in Japan are the same factors that existed in Russia in 1918, factors of crude, violent revolt. The chief forces operating in China, says Mr. Wells, are Communism and Gen. Chiang Kai-shek's New Life Movement.

*
**

August 4

Premier Neville Chamberlain warned that Britain might be obliged to send her fleet to the Far East and that there was still time for denunciation of the Anglo-Japanese trade treaty. Mr. Chamberlain, however, emphasized that Britain would rather resort to negotiations than to more threatening and dangerous methods. But he warned that Britain could only stand so much and no more, in referring to Japanese outrages against Britons in China.

The Chinese Government and the Central Bank of China have given contracts to two British bank-note printers for the printing of over 1,000,000,000 bank-notes, according to London dispatch.

The British and French consulates and the German Embassy were badly damaged and the home of an American newspaper correspondent, Tilman Durdin, **New York Times** correspondent, was demolished by Japanese bombs last night during two Japanese raids on Chungking. Four Chinese were killed when one bomb destroyed a house between the British and French consulates and three Chinese died when another bomb hit outside the German consulate.

Chinese claim successes in the fighting now underway in southern Honan;

Who's Who in China

Dr. Mak Ting Sum, expert in Psycho-Therapy, Ph. D.; native of Kwangtung; born at Kuala Lumpur, F. M. S., May 10, 1895; graduate of Victoria Institution and St. John Institution, Kuala Lumpur; Power of

麥庭森字錦泉

Dr. Mak Ting Sum (Mai Ting-sheng)

Attorney of Towkay Chan Phooi Hoong, miner, and Secretary of Messrs. Tong Sing, Ltd., planter, Kuala Lumpur; Vice-President of the Chinese Institute of Mentalism, Shanghai; representative of the National Association of Masso-Therapists, London; now engaged in the practice of Mechano - Theraphy, Psychò-Therapy and Electro-Therapy in Kuala Lumpur; author of "The Psychic Ray Revealing," and "The Ethical Philosophy of Confucius;" address: 6 Jalan Skola, Kuala Lumpur, Malaya.

Huahotian, on Honan-Hupeh border, hurriedly evacuated by the Japanese, who left some 70 dead on the battlefield. In Central Hupeh, on the west bank of the Han River, Chinese forces continue attacks on Chienkiang. Chinese forces in Chungshan District, Kwangtung, counter-attacked the Japanese and forced them to retreat towards the coast.

A strongly-worded note, asking that the Japanese authorities afford American lives and property at Kaifeng, Honan, every possible protection, had been lodged with the Japanese Consulate-General by the United States Consulate at Hankow.

Anti-British Chinese mob, apparently inspired by professional agitators, broke into the British-owned International Export Co. plant in Tientsin and smashed windows and furniture.

*
**

August 5

Chungking raided for the fourth time in five days by Japanese planes. Foreign consular establishments again suffered heavy damage; the home of an American missionary, the Rev. C. B. Rape, wrecked. Belgian Embassy also damaged.

The **Japan Times** reported that a written Anglo-Japanese agreement concerning policing and public peace questions in the Tientsin British Concession was being drafted. The agreement said providing for the handing over of the four Chinese involved in the assassination of the puppet Tientsin Customs Commissioner, S. C. Cheng, last April.

Nippon Newsmen Lead Anti-Landlord Fight

Japanese newspapermen were reported last week to be in the van of an anti-landlord campaign in Hongkew, as they sought to organize the tenants of the Pearce Apartments, situated at the corner of Boone and Chapoo Roads, in a protest against a recent raise in rents.

According to the *Tairiku Shimpo*, the Shanghai Land Investment Company, owners of the building, on Aug. 1 notified their tenants that beginning this month, one-fourth of the rental would be collected at the pre-devaluation rate of dollar exchange when the Chinese yuan was pegged at 1 shilling, two and a half pence. This would bring an actual increase of from $160 to $240 for a typical apartment, the paper said. This is a 50 percent raise. The Shanghai Japanese Journalists Association with club rooms in the Pearce Apartments circularized all tenants urging them to join a movement of protest, the newspaper declared.

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Men and Events

Ouyang Lun has been appointed director of the Industrial Department of the Ministry of Economics, according to *Kuomin* report from Chungking, August 6.

*

The U. S. Ambassador to Japan, Joseph C. Grew, who is now in the U. S. on leave, is expected to return to Japan early in September, according to a Tokyo dispatch by *Domei* on August 10.

*

The *Sin Wan Pao* stated on August 12 that the Chinese population residing in the International Settlement and French Concession at Shanghai now numbers about 4,000,000, which represents a decrease of about 1,000,000 from last year.

*

Gold production in the Philippines in July broke all previous records, the total mined amounting to Pesos 6,400,000, or U. S. $3,200,000. The previous record month, May of this year, recorded an output of Pesos 6,200,000.

*

Radio-telephone service has been established between Chungking and Hongkong and between Chungking and Kunming, capital of Yunnan province. The services were scheduled for official opening the middle of the present month.

*

Francis B. Sayre, recently appointed High Commissioner to the Philippines, has named Woodbury Willoughby as his Administrative Assistant Commissioner. Mr. Willoughby, who also is connected with the Department of State is an economic analyst and former assistant financial adviser of Poland.

*

The Japanese have transported more than 10,000 Chinese laborers from Kiangsu and Central China and from Shantung to Tientsin and Dairen in recent months, according to report in the *Shun Pao* (Aug. 12) stating that the men are transported, in groups ranging from 200 to 300, under heavy guard, on the Japanese ships operating between Shanghai and northern ports.

*

Harry Falcon Woodhouse, member of the staff of American Asiatic Underwriters, died suddenly of a heart ailment on Monday, Aug. 16. He suddenly became ill following the demobilization of the American Machine Gun Company, Shanghai Volunteer Corps, in which he served in the recent emergency. He had been suffering from asthma for some time. Mr. Woodhouse was born at Eldon, Iowa on March 2, 1894 and received his education at Lawton, Oklahoma and the University of Oklahoma. He served in the secretarial staff of the late Gen. Leonard Wood, Governor-General of the Philippines, later coming to Shanghai where he first joined the China General Edison Company.

Y. E. Hsiao, who has served for some time as general secretary of the Chinese Students Christian Association in North America, with headquarters at 347 Madison Avenue, New York City, is shortly returning to Shanghai where he will be connected with the Chinese Y. M. C. A. at 123 Bvd. de Montigny. Mr. Hsiao will be succeeded as general secretary of the Christian Association by David Toong, who is now president of the Central Executive Board of the organization.

*

Julean Arnold, U. S. Commercial Attache, who returned to Shanghai recently following an extended trip to the United States, was guest of honor and speaker at a meeting of the American Chamber of Commerce at luncheon on Friday, August 11, at the American Club. Mr. Arnold returned to Shanghai by way of Europe and India and visited Kunming and Chungking before coming here.

*

The Eurasia Aviation Corporation, Sino-German enterprise, has resumed operation in the north-western territory, according to report in the *Shun Pao* (Aug. 9). Regular schedules will be maintained on routes connecting Chungking with Chengtu, Hongkong, Nanning, Hanoi, Kunming, Lanchow, Liangchow, Yu-ching, Ching-Lan and Yung-ching. The charge for passenger fare between Chengtu and Lanchow (capital of Kansu) is $470 for one way.

*

Morito Morishima, who has been counsellor of the Japanese Embassy at Shanghai, has been appointed to a similar post at the Japanese Embassy in Washington, according to report in the *Asahi*. Yoshiaki Miura, who holds the post of Consul-General at Shanghai, will serve concurrently as Counsellor of Embassy. Yakichiro Suma, former Counsellor at Washington, has been transferred to Hsinking, Manchuria.

*

Foreign firms which recently have established branch offices in Yunnan, Szechwan and Kweichow provinces include Ford Motor Company, Socony-Vacuum Company, Asiatic Petroleum Company, Dunlop Rubber Company. According to a report in the *Sin Wan Pao* the Socony-Vacuum Company and Asiatic Petroleum Company have opened large and well staffed offices in Yunnan and Szechwan provinces in order to participate in the phenomenal development of motor transport in those areas.

*

Shanghai's Japanese population now totals 54,308 according to a report of the Japanese newspaper *Tairiku Shimpo*. The number of households, according to the report, includes 17,703 Japanese, 2,035 Koreans and 1,651 Formosans, and in addition there are 138 consular households, which includes members of families of consular police. The other Japanese newspaper, *Shanghai Mainichi*, said that a syndicate of Japanese banks is planning to construct a seven-story, 200-room hotel on Matsui Boulevard, Civic Center. The Reformed Government at Nanking was also expected to invest in the enterprise, stated the report.

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The Japanese Army authorities announced on August 5 (*Chugai Shogyo Shimpo*, Tokyo) that work is shortly to be started on the first link of a railway which will connect Tokyo and Berlin. It will be constructed by the Japanese Railway Ministry and the North China Railway Company, a military set-up which is now operating the railways which the Japanese seized from the Chinese Government. The new line will be 550 kilometers long and will connect Tangku on the Gulf of Chihli (near Tientsin) with Tatung in northern Shansi. Later the road will be extended from the western end of the Peiping-Suiyuan line through Mongolia, central Asia and ultimately will be linked with Berlin and Rome. The immediate purpose of the road, according to the report will be to transport coal and iron from northern Shansi to the seacoast for shipment to Japan.

*

Recent reports in the Japanese newspapers referring to the possible sale of the American-owned Oriental Consolidated Mining Company to Japanese interests, refer to the old American gold mine at Unzen which has been operated by Americans for many years — long prior to the Japanese annexation of Korea. It is the only American company which has continued to operate in the Hermit Kingdom since Japanese occupation. The cause of the decision of the Americans to sell their interest (for U. S. $8,175,000) was not stated, but reports in the Japanese newspapers indicated that the Company had experienced heavy losses due to the Japanese Exchange Control Law which prevented export of gold and at the same time compelled the company to accept a lower price than the world market. According to a report in the *Nikkan* the company was reorganized into the Oriental Consolidated Mining Company at Seoul in 1899. The company is said to produce about Y.6,000,000 worth of gold and other minerals annually. The Japan Mining Company, which will purchase the American interest, has agreed to pay the purchase price in five installments spread over a period of five years.

*

Fred Snite, son of the Chicago millionaire, who was stricken with infantile paralysis while traveling in China and later was transported to the United States in an "iron lung," was married on August 10 to Miss Teresa Markin. The marriage was held at the Snite home in Chicago and according to the report he remained within the iron lung, or heavy steel breathing apparatus, throughout the ceremony. Immediately after the ceremony the couple departed on a honeymoon trip in young Snite's trailer which is specially equipped to carry the heavy iron tank. Several months ago Snite's parents took him to Lourdes where he bathed in pools to which have been attributed miraculous curing properties. According to a *United Press* message from Chicago, Dr. John J. Fahey, Snite's personal physician, said that the ailment, infantile paralysis, from which Snite is suffering, "does not necessarily bar the normal functions of a young man."

Dr. Otto Richter, director of the Hamburg and Bremen branches of the German East Asiatic Society, departed from Hamburg on August 12 on an extensive tour of the Orient. He is traveling on the motorship Duisburg and will visit in Hongkong, Tokyo, Yokohama, Kobe and Osaka. Later he will spend four weeks on a tour of Manchuria and will return to Germany by way of Shanghai.

*

The Japanese cruiser Idzumo, long an unscarred target of Chinese airmen in the Shanghai harbor, sailed for Tsingtao this week. The Idzumo had been anchored here for practically a year. In addition to numerous attempts to airbomb the Idzumo, the Chinese also made two futile attempts to torpedo the ship and on one occasion created some damage to the superstructure by artillery fire from Pootung.

*

The Department of Justice in Washington on July 28 indicted four leading American typewriter manufacturing companies on a charge of violating the anti-trust laws. The indictment charged the companies with manufacturing 90 percent of the typewriters in the country, fixing uniform prices, trade-in allowances and discounts. The companies indicted, including their respective presidents, were Underwood, Elliott Fisher Company, Remington Rand, Inc., Royal Typewriter Company, Inc., L.C. Smith and Corona Typewriters, Inc.

*

Frank Steinhart, new U. S. Ambassador to the Soviet Union, arrived in Moscow on August 8 and assumed his duties. Mr. Steinhart, who is a utility president and director, was born in Munich, Germany in 1864 and after serving for several years in the U. S. Army was placed in charge of railway transport. He served in Cuba under General Wood as chief clerk of the military government, later remaining in that country as the agent of the U. S. War Department. From 1903 to 1907 he served as Consul-General at Havana, later becoming general manager of the Havana Electric Railways.

*

Harrison Arnold of Shanghai, representative of the Ford Motor Car Company, who is traveling in west China, arrived in Chungking recently after a trip over the new Burma-Kunming road. He made the trip in 12 days from Burma and said that transportation over the new road was being maintained despite the rainy season which was expected to prevent travel due to frequent land-slides. He said that peasants were able to remove the mud within two or three hours. A permanent labor force is maintained along the most difficult sections, according to Mr. Arnold. He said that 1,000 trucks are now operating on the new road and that tonnage now averages from 60 to 100 tons daily. The tonnage will be tripled after the rainy season. Gasoline and oil stations are now located at intervals of 100-200 kilometers with three major stations covering the entire route. It was claimed that the road now carries as much merchandise as the railway from Indo-China.

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Dr. L. Rajchman, former director of the Health Section of the League of Nations, was scheduled to depart from Europe this week on a return trip to Chungking. He is accompanied by Li Shih-tseng, chairman of the Chinese Permanent Delegation at Geneva. Dr. Rajchman will confer with the Chinese authorities on the matter of further technical assistance.

*

The Japanese aviation authorities will shortly resume use of Lockheed planes on their regular air-routes, according to report in the *Asahi*. Several weeks ago the Japanese grounded all Lockheed planes due to several serious accidents which occurred usually at landing fields. The Japanese charged that the accidents were due to defects, which caused the company to send experts to Japan to make an investigation. A report from New York on August 15 stated that the Japanese had purchased a new modern-type 48-passenger Douglas for use on the Japanese airlines. The plane cost U.S.$750,000 but by paying U.S.$250,000 additional the Japanese may acquire the right to manufacture them in Japan.

*

Louis T. Kenake, former resident of the Hawaiian Islands and previously an Adjutant-General in the Hawaiian army, prior to the American annexation, died at his home in Shanghai on Sunday evening, August 13 at the age of 73 years. He is survived by his wife. Mr. Kenake first joined the U. S. Postal Service in 1898 and assisted in developing a modern postal administration in the Philippines, following which he came to Shanghai and helped to organize the U. S. Postal Agency here. After the closing of the postal agency he was appointed Assistant Clerk of the U. S. Court, a post he held until 1937 when he retired because of ill health. He was born at Charleston, S. C.

Serious Oil Dispute Reported From Thai

With a breakdown in negotiations between the Government and foreign oil companies over the enforcement of a fuel oil control law, the petroleum in Thai (Siam) is assuming serious proportions, the *Japan Times* reported this week in a special Bangkok dispatch.

A shortage of oil products is being felt in centain parts of Thai as a result of the suspension of distribution activities by the Asiatic Petroleum Company and the Standard Oil Company, the report said. All agencies concerned have been mobilized by the Thai Government to combat this situation and to attain a smooth distribution of oil, it was stated.

Anti-profiteering measures have also been enforced by the Government which is being backed by the people who see in the dispute a test on the complete restoration of national rights to the Thai nation. British and American oil interests are being bitterly criticized for their failure to comply with the laws of the country in which they are doing business, the Bangkok report declared.

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New Books of Interest in the Far East

A Critical Study

CHINA AT WAR—By Freda Utley. London, Faber and Faber, Ltd., 1939, Price 12/6d.

Miss Freda Utley, remembered as the author of *Japan's Feet of Clay* and *Japan's Gamble in China*, has recorded the observations of a three-month sojourn in China in her new book, *China at War*. In her prefatory remarks, the author admits that she has not attempted to analyze China's social, political or economic problems, but only "to describe as truthfully as possible what I saw in China and to make others see the tragedy now being enacted in the Far East."

The book concerns itself primarily with the journey of the author from Hongkong, where she arrived in July, 1938, to Hankow which she left in October of the same year, before its capture by the Japanese. Her observations of the events of her trip and the personalities with whom she came in contact make interesting reading. In Hongkong, she interviewed Madame Sun Yat-Sen, of whom, she said, "she is the stuff of which martyrs are made," Eugene Chen, T. V. Soong and others. In Hankow she met Gen. Chiang Kai-shek, Madame Chiang and other important leaders of the Kuomintang regime, as well as well-known Communist leaders, Chou En-lai, General Yeh of the Eighth Route Army, and many others.

A convincing picture of Hankow before its fall is given by the author, where Miss Utley says "for the first time I met and lived among *la très gente compagnie* of the foreign correspondents of the world's press." She describes meetings with such well-known figures as Agnes Smedley, Captain Evans Carlson of the United States Marine Corps, Dr. Richard Brown and others. She depicts the miserable conditions of Chinese refugees pouring into the city before the Japanese, the pitiful sufferings of the Chinese wounded soldiers lying on the streets of Hankow, dying from lack of medical attention. In this connection, Miss Utley gives a thorough account of the Chinese Red Cross, under the supervision of Dr. Robert Lim, which she maintains is at present the only organization attempting to meet China's great need for adequate medical aid for the wounded. Miss Utley made two trips to the Chinese front lines from Hankow, and thus was able to see for herself the plight of the Chinese soldiers.

In Hankow, the author came across a great number of Chinese intellectuals and "literati" who were prohibited or discouraged from joining the army because the government was afraid of "leftist tendencies." She adds that it has also been the policy of the government to discourage all white-collar and professional people from jeopardizing their safety in army service. Thus the army has a tendency to become an "army of peasants and coolies."

In the latter part of the book, Miss Utley engages in the type of political and social speculation which made her reputation in *Japan's Feet of Clay*. There is no doubt that the author knows Japan, and her chapter dealing with Japan's war aims in China contains the best and most penetrating analyses in the book. The aim of the invader is "to make a colony of China. . . . Should Japan fail to do this, however, she intends to obstruct the political and economic development of China, and keep it in a perpetual state of disorder." Something that has not received nearly enough publicity is revealed by the author in her assertion that "Japan is financing her war in part by the illicit sale of narcotics to the U.S.A."

Her analysis of Chinese affairs, though less convincing than her analysis of Japan, nevertheless demonstrates an unusual frankness and sincerity. She asserts: "One can distinguish two strongly-marked and opposing political tendencies struggling for supremacy in China, one towards a purely military dictatorship, the other toward some kind of democracy." Chiang Kai-shek she envisions as struggling to maintain a balance between the extreme feudal right and the leftist elements. "China," she states, "cannot win if Chiang Kai-shek continues to fight a war on two fronts." Moreover, if China is to win the war "far-reaching economic and social changes are necessary. . . . The price which the ruling class must pay for victory is concessions to the people and this price it has not yet shown itself willing to pay."

One interesting section concerns itself with the conduct of the rightist elements in the Kuomintang who allow the peasants to arm only after the Japanese have occupied their territory. "Neither the landowners nor the government are inclined to

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CHINA'S FATE AND AMERICA'S FUTURE

The recent action of the U. S. Government in abrogating the 28-year old commercial treaty with Japan brings to a close an interesting chapter in the relations of Japan and the United States. What will the next chapter disclose?

Through an interesting coincidence **THE CHINA WEEKLY REVIEW** published (July 22), just before the abrogation of the American-Japanese Treaty, an article written by Julean Arnold, American Commercial Attache, which provides the best possible background for an understanding of the significance of the recent Washington action.

Mr. Arnold's article has been reprinted in a 20-page pamphlet under the title, "China's Fate and America's Future." It may be obtained at the rate of five copies for $1. Since it constitutes the best explanation of the situation concerning the commercial relations of America-China-Japan, it should receive a wide circulation. Order a supply and mail to your friends and connections abroad.

Order a year's subscription ($14, including postage, in China) and you will receive a free copy of the Arnold pamphlet.

THE CHINA WEEKLY REVIEW

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jeopardize their revenues by training and arming the people." However, after the Japanese have entered a province the landowners encourage the left youth organizations to cooperate with guerrillas against the invader.

These evils, and many more in the opinion of Miss Utley, must be ameliorated before China can begin to think of ending the war and preserving her national integrity and independence. Whatever viewpoint one may have, the questions raised by Miss Utley are extremely provocative and well worth consideration, although she does not resolve these questions with any great thoroughness. But upon the resolution of these questions depends the destiny of China.

The book is well-worth reading, is competently indexed and fully illustrated with photographs taken by the author and other war correspondents in China.

D. R.

Japanese Deny Molesting Americans in Kaifeng

The Japanese Foreign Office informed the American Embassy in Tokyo on Aug. 2 that Japanese military authorities in China were investigating reports of the endangering and molestation of Americans in Kaifeng, Honan province.

The notification advised the American Embassy that many of the missionaries who fled from Kaifeng had been Canadians, which probably gave rise to reports that "Americans" had been molested.

The note denied that any anti-American disorders had broken out in Kaifeng but promised that the investigation would be carried further.

The Japanese note was sent in reply to American requests for an investigation of the fate of Americans in Kaifeng. Efforts to communicate with Americans and other foreigners there over Japanese-controlled telegraph lines have failed following reports of anti-foreign disorders involving Americans.

Reports distributed from Hongkong to the effect that an anti-American campaign was taking place in Yochow, in northern Hunan, were categorically denied in Tokyo Aug. 11 by a spokesman for the Ministry of the Navy. An official investigation, he said, had established that the allegation was "entirely false." Referring to similar reports of anti-American agitation at Kaifeng and at Shihchiachwang, the spokesman alleged that they were being circulated by "certain people interested in estranging the relations between Japan and America."

Refugee Doctors Fail Medical Test in P.I.

Nine Jewish refugee doctors who were allowed to take medical examinations have failed to pass the Philippine tests, according to the Commonwealth Board of Medical Examiners, *United Press* reported Aug. 13. Philippine law provides that foreign doctors desiring to practice in the islands must pass an examination, unless their native country extends the right to Filipino physicians to practice without first passing an examination.

The board of medical examiners said the refugee doctors—all of them from Germany and Austria—displayed a thorough knowledge of general medicine but had little knowledge of tropical diseases and medicines.

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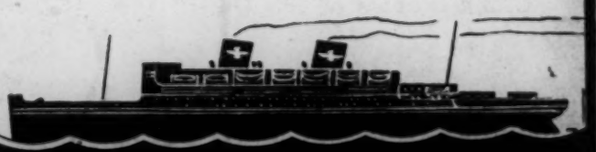

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